



Arizona
Department
of Housing

CDBG Application Handbook

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SECTION 1. THE CDBG PARTNERSHIP

INTRODUCTION

Using Community Development Block Grant (CDBG) funds to effectively address housing and community development needs in non-metropolitan Arizona requires a strong partnership. That partnership consists of the U.S. Department of Housing and Urban Development (HUD), The Arizona Department of Housing (ADOH), the four (4) Councils of Government (COGs), local non-metropolitan governments, local non-profit organizations and local for-profit contractors and service providers.

The ADOH application handbook will enable you to take your project concept and turn it into a completed fundable application ready for ADOH review. Projects eligible for CDBG funding must meet a nine (9) part test.

- The project must meet a National Objective.
- The project must fall into a category explicitly authorized by CDBG statute as an eligible activity.
- The applicant must be eligible.
- Costs must be necessary and reasonable.
- The project must result in “benefit”.
- The project must be ready to start.
- The recipient must have the capacity to complete the project in a timely manner.
- The community and the project must comply with federal overlay statutes.
- The project must comply with the priorities of the State as articulated in the State’s Consolidated Plan and Annual Action Plan.

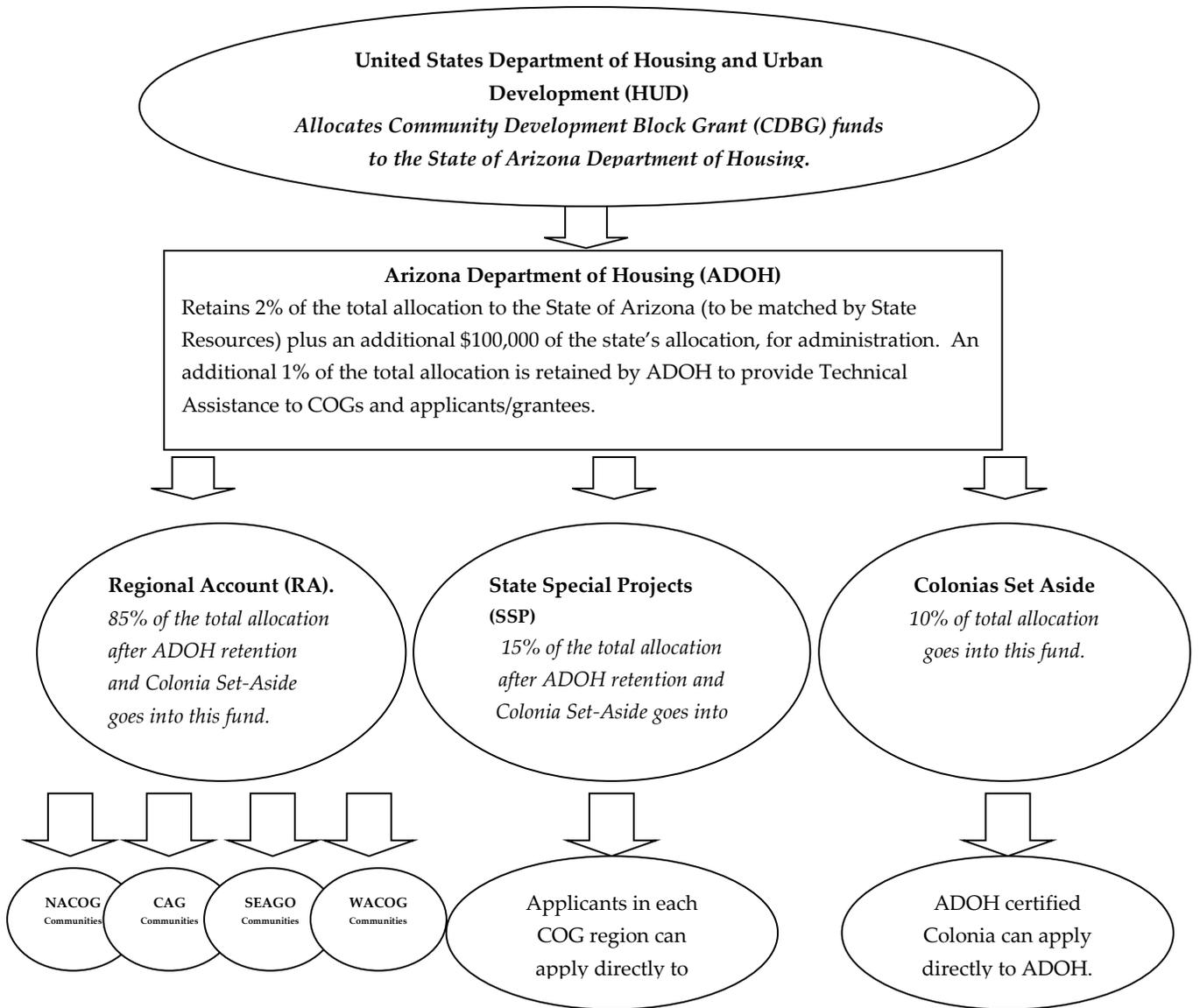
(Note: Changes in Federal regulations and/or State statutes referenced in this handbook may affect CDBG requirements.)

THE ROLE OF ADOH AND THE COGS IN THE CDBG PROGRAM

Role of ADOH

Since 1982, the State of Arizona has administered the State and Small Cities CDBG Program. ADOH is charged with administering the CDBG Program on behalf of non-entitlement communities (all cities and towns in Arizona except the cities of Casa Grande, Douglas, Flagstaff, Prescott, Sierra Vista and Yuma; for all counties except for Maricopa and Pima Counties and the incorporated communities within their jurisdictions and for unincorporated Pinal County and their consortium communities of Eloy, Florence, Mammoth and Maricopa).

The flow chart on the following page illustrates the flow of federal CDBG funds from HUD to ADOH:



State CDBG Program Objectives and Administration

The State will seek to further the following objective in both the design and implementation of its CDBG Program:

To further the development of viable urban and rural communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

As the administrator of the CDBG Program, ADOH performs the following functions:

- Prepares the program design;
- Prepares all application and grant implementation materials;
- Approves the Method of Distribution (MOD) for the CDBG Regional Account, which is developed by each Council of Government;
- Renders technical assistance to all applicants and grantees as requested, in cooperation with the four (4) non-metropolitan COGs;
- Distributes funds through contracts with recipients and administers the contracts.
- Manages the distribution of CDBG funds.
- Evaluates and determines funding of State Special Project (SSP) applications;
- Evaluates and determines funding of Colonia Set-Aside applications;
- Authorizes final funding approval for all CDBG applications;
- Monitors all grantees to ensure compliance with state and federal requirements; and
- Provides application workshops, pre-application reviews and implementation workshops as needed.

Role of COGs

The State of Arizona has a partnership with the regional Councils of Governments (COGs) in Arizona to provide both technical and administrative assistance to CDBG grantee communities. The State of Arizona distributes eighty-five percent (85%) of annual state CDBG resources to a Regional Account (RA) which has subaccounts in each of the following four (4) COG districts: Central Arizona Association of Governments (CAG); Northern Arizona Councils of Government (NACOG); Southeastern Arizona Governments Organization (SEAGO); and Western Arizona Council of Governments (WACOG). The COGs perform the following functions:

- ADOH has delegated to each COG the responsibility to recommend a three (3) year Method of Distribution (MOD) for funds within its region, thereby enabling local units of government to guide the distribution of resources within their respective COG regions.
- COGs have expertise in CDBG program administration and often are contracted by local governments to assist with application preparation and contract administration. These services may include but are not limited to:
 - a. Attending application workshops;
 - b. Assisting with application scheduling;
 - c. Assisting or developing project concepts;
 - d. Assisting or performing public hearings;
 - e. Assisting with writing or compiling CDBG applications;
 - f. Assisting with or conducting special surveys; and
 - g. Assisting with or conducting environmental reviews.

- The COGs provide technical assistance to the recipient communities within their respective region. Technical assistance services provided by the COG include but are not limited to:
 - a. Attending meetings/training sessions/conferences to remain current on CDBG program regulations;
 - b. Reviewing materials provided by ADOH and HUD for the purpose of developing TA materials or training sessions for local governments and non-profits;
 - c. Preparing materials, including written, audio and visual to assist local governments and non-profit entities to apply for and implement CDBG-funded projects;
 - d. Providing one-on-one TA to employees or elected officials of local governments and non-profits having received or that are interested in receiving CDBG funds;
 - e. Preparing and presenting county, region or state-wide workshops and training relating to CDBG eligible activities and requirements including those pertaining to Affirmatively Furthering Fair Housing;
 - f. Publicizing existing CDBG related TA materials and training to local governments and non-profits;
 - g. Contacting grantees identified by the CDBG Program as having serious compliance problems and offer TA; and
 - h. Assisting ADOH with coordinating technical assistance visits to assist communities while they are developing CDBG application concepts.

The COGs must maintain time records of all activities conducted.

Payment of COG Services

The COGs are paid for their services in two (2) ways. First, each COG is paid under contract with ADOH to provide general technical assistance services to the communities in their respective regions. Secondly, COGs are paid by the communities in their region from administration funds received as part of those community's CDBG grants. The extent of administration services provided by the COG to a community is decided between the COG and community. It may be as minimal as application review (required by ADOH) or as extensive as full CDBG grant administration. COGs and communities must enter into a contract if the COG is going to provide more extensive administration services than application review. The contract must contain the following:

- Scope of services the COG will provide;
- Timeline for providing services;
- A "total cost of services not to exceed" clause and dollar amount;
- The unit cost by which the services will be paid whether by the task or by hour;
- The method and procedures by which the services will be paid (pay request documents); and
- Each party's responsibilities for progress reporting and federal overlay compliance.

ADOH will review the contract for inclusion of the six (6) items listed above but does not need to formally approve this contract. The COG must maintain time records of activities performed under the contract as a basis for billing the community.

ELIGIBLE GRANT APPLICANTS

Consistent with federal law, eligible applicants for the State CDBG Program are:

- All incorporated cities and towns, except those located in Maricopa and Pima Counties and excluding the cities of Casa Grande, Douglas, Eloy, Flagstaff, Florence, Mammoth, Maricopa, Prescott, Sierra Vista and Yuma.
- All of Arizona's counties except Maricopa, Pima and unincorporated Pinal.
- All eligible grant applicants are also known as Units of General Local Government (UGLG)

The following table lists the eligible grant applicants by region:

NACOG	CAG	SEAGO	WACOG
Apache County	Apache Junction	Benson	Bullhead City
Camp Verde	Coolidge	Bisbee	Colorado City
Chino Valley	Gila County	Clifton	Kingman
Clarkdale	Globe	Cochise County	La Paz County
Coconino County	Hayden	Duncan	Lake Havasu City
Cottonwood	Kearny	Graham County	Mohave County
Dewey-Humboldt	Miami	Greenlee County	Parker
Eagar	Payson	Huachuca City	Quartzsite
Fredonia	Star Valley	Nogales	San Luis
Holbrook	Superior	Patagonia	Somerton
Jerome	Winkelman	Pima	Wellton
Navajo County		Safford	Yuma County
Page		Santa Cruz County	
Pinetop-Lakeside		Thatcher	
Prescott Valley		Tombstone	
Sedona		Willcox	
Show Low			
Snowflake			
Springerville			
St. Johns			
Taylor			
Tusayan			
Williams			
Winslow			
Yavapai County			

ELIGIBLE GRANT PARTNERS

ADOH allows flexibility as to which kinds of organizations grantees can work with to implement CDBG activities. Grantees may decide to implement all aspects of a CDBG project or they may wish to delegate all or some of a CDBG project. Options for implementation include the following:

Grantee Staff

Local government grantees have the option to carry out all activities related to CDBG administration and activity implementation with their own staff. Most grantees will utilize the services of contractors and sub-recipients to implement at least some of their CDBG activities.

Sub-recipients

Grantees who wish to carry-out a CDBG project but want to “delegate” the entire administration and implementation may utilize the services of a Sub-recipient. Delegation in this manner can provide a better alternative to hiring additional staff. A Sub-recipient assumes the full responsibility to administer and implement a CDBG activity in lieu of the grantee. The grantee is responsible for oversight of the Sub-recipient including ensuring the Sub-recipient complies with all CDBG regulations; thus, the capacity of the Sub-recipient should be assessed. Sub-recipients can be selected without a competitive procurement process; however, a Sub-recipient Agreement must be executed between the grantee and Sub-recipient. A draft of the Sub-recipient Agreement must be submitted with the application. Grantees must monitor the Sub-recipient at least once during the contract term using the format prescribed by ADOH.

A Sub-recipient can be a public or private non-profit agency or a for-profit entity providing assistance to micro-enterprises. Institutions of higher education may also be Sub-recipients. A grantee can provide CDBG assistance to the Sub-recipient in the form of a grant, loan or deferred payment loan. The Sub-recipient must actually administer all aspects of the CDBG grant and not be an ‘umbrella’ or ‘pass-through’.

Community Based Development Organizations (CBDO) and Community Housing Development Organizations (CHDOs)

Certain neighborhood revitalization and community economic development and energy conservation activities can only be carried out by a CBDO. Grantees wishing to carry out activities described in 24 CFR Part 570.204 must partner with a CBDO. CHDOs generally qualify as a CBDO. CBDOs can be selected without a competitive procurement process; however, a CBDO Agreement (similar to a Sub-recipient Agreement) must be executed between the grantee and CBDO. A CBDO is not considered a Sub-recipient. A draft of the CBDO Agreement must be submitted with the application.

Contractors

A contractor can be either a for-profit or a nonprofit entity that is paid CDBG funds by the grantee (or Sub-recipient or CBDO) in return for specific services, where payment is made to the contractor as compensation for such services. A contractor is different than a CBDO or Sub-recipient in that a contractor must be procured competitively. Most of the uniform administrative requirements do not apply to contractors; however, they do to Sub-recipients and CBDOs once procurement is complete.

Community Development Financial Institutions (CDFI)

A CDFI is a community-based lending institution. Grantees wishing to carry-out job creation activities may have more impact by taking advantage of flexible regulations that apply to CDFIs with respect to national objective requirements. For example, businesses can be assisted on an aggregate basis as well as on an area-wide basis. CDFIs can be selected without a competitive procurement process; however, a CDFI Agreement (similar to a Sub-

recipient Agreement) must be executed between the grantee and CDFI. A CDFI is not considered a Sub-recipient. A draft of the CDFI Agreement must be submitted with the application.

Non-profit Documentation

Applicants must ensure that the following documents are submitted with the application if a non-profit Sub-recipient, CBDO or CDFI is proposed to carry out an activity:

- 501 (c) (3) IRS Determination Letter or other IRS document verifying tax-exempt status, if applicable.
- Articles of Incorporation.
- Current By-Laws.
- Current Board Members.
- Most recent audited financial statements, or, if an entity that has not been required to have an audit, current financial statements.
- Financial Management certification.
- 504/ADA compliance (i.e. Self-Evaluation and Transition Plan).
- Civil Rights Certification.
- Meeting minutes, if applicable to the CDBG activity.
- Certification of Good Standing.

To request a Certificate of Good Standing, please submit a written request to the:

Arizona Corporation Commission
Records Department
1300 West Washington, Suite 107
Phoenix, AZ 85007
(602) 542-3026
www.azcc.gov

ACTIVITIES OUTSIDE OF THE JURISDICTION

CDBG funds may assist an activity outside the jurisdiction of the grantee only if the grantee determines that such an activity is necessary to further the purposes of the Act and the recipient's community development objectives, and that reasonable benefits from the activity will accrue to residents within the jurisdiction of the grantee. The grantee shall document the basis for such determination and obtain ADOH approval prior to providing CDBG funds for the activity.

USE OF STATE CDBG FUNDS ON TRIBAL LANDS AND IN ENTITLEMENT COMMUNITIES

HUD requires that an applicant to a state must identify the community development and housing needs of its non-entitlement areas and must propose activities designed to meet those needs. States cannot fund CDBG entitlement communities or Indian Tribes. States can fund projects which benefit county residents that are also members of a tribe (whether they live on or off the reservation) or members of an entitlement community but must fund projects that address the needs of non-entitlement areas.

It is recognized that there could be projects which have both tribal and non-tribal or entitlement and non-entitlement beneficiaries, that there could be some projects that would logically be located on tribal land or within

an entitlement community's boundaries but would benefit more than just tribal or entitlement community members. The most important question to be answered is: "Does the project address the community development needs of the non-entitlement areas and has it demonstrated that the activity will meet those needs?"

When reviewing applications that request use of CDBG funds that benefit residents of the non-entitlement county and residents of tribal lands (or entitlement communities), the State will determine if the proposed project addresses the community development needs of the non-entitlement area. The applicant may demonstrate that the activity can meet the needs of the non-entitlement area in a number of ways, including, but not limited to:

- Pursuant to section 105(d)(2)(D), the UGLG must identify the community development and housing needs of its non-entitlement areas including the need of low and moderate income persons and must demonstrate that the proposed activity will meet those needs.
- Provide evidence that the proposed activity is in compliance with 24 CFR 570.486(b) that states "CDBG funded activities may serve beneficiaries outside the jurisdiction of the unit of general local government that receives the grant, provided the unit of general local government determines that the activity is meeting its needs in accordance with section 105(d)(2)(D) of the Act." For example, the most practical and feasible location for a senior center may be within the boundaries of tribal land. This location may maximize accessibility to the greatest number of beneficiaries and be cost effective.
- Provide evidence that financial burden for the proposed activity is shared.
- Provide evidence that activities are CDBG eligible activities.
- Provide evidence that proposed activities comply with 24 CFR Part 570, whether or not located in the non-entitlement area.
- Comply with priorities of the State, as articulated in the State's Consolidated Plan as modified in 24 CFR Part 91 that requires states to integrate planned accomplishments and outcomes (known as performance measures).
- Comply with the requirements of 24 CFR Part 570.486(a) - Citizen Participation requirements of a unit of general local government.

SECTION 2. ELIGIBLE PROJECTS

Project eligibility has two (2) components. First the project must meet a National Objective. Second the project must fall into a category explicitly authorized by CDBG statute as an eligible activity.

NATIONAL OBJECTIVES

Overview

Each proposed CDBG activity must meet one (1) (and ONLY one (1)) of the following three (3) National Objectives:

- **Low-Moderate (LM) Income Benefit:** The activity must benefit low and moderate income persons defined as those persons earning no greater than eighty percent (80%) of the HUD Area Median Income.
- **Slum/Blight:** The grant activity must aid in the prevention or elimination of slums or blight. Activities justified as slum/blight cannot be increased by transferring funds from other activities in ongoing CDBG contracts.
- **Urgent Need:** The grant activity meets other community development needs having a particular urgency which pose a serious and immediate threat to the health or welfare of the community; which are of recent origin or recently became urgent; and where other financial resources are not available to meet such needs. Activities justified as Urgent Need cannot be increased by transferring funds from other activities in ongoing CDBG contracts.

CDBG Regulations require ADOH to spend at least 70% of the total annual allocation for projects that meet the Low-Moderate Income National Objective. Additionally there are expenditure caps of not more than 15% for public service Activities, 20% for administration and planning and 30% for slum and blight/ urgent need activities.

LOW-MODERATE (LM) INCOME BENEFIT

Area-wide Benefit

An area-wide benefit activity is one that meets the identified needs of low and moderate persons residing in a primarily residential area in which at least fifty-one percent (51%) of the residents are LM. The activity must be designed to benefit primarily the current residents of the Service Area and not future developments or residents. The benefits of this type of activity are available to all persons in the area regardless of income. Such an area need not be coterminous with a census tract (i.e. Block Numbering Area or Block Group) or other officially recognized boundary. However, it must be the entire area served by the proposed activity. This area is known as the Service Area (SA).

Determination

In assessing whether a proposed CDBG activity will comply with the area-wide benefit, the applicant must:

- Determine the unique SA for the proposed activity. The SA consists of a specific geographic area where primary beneficiaries of the proposed CDBG activity reside.
- Determine that the proposed activity will be made available to all residents of the SA, regardless of income level. Issues such as connection, fees and physical accessibility need to be considered.

- Confirm the primarily residential character of the service area. At least sixty percent (60%) of all existing structures within the service area must be for residential use. An incorporated city or town is presumed to meet this requirement. In all other instances, this condition must be documented in one (1) of the following ways:
 - a. A utility company(s) serving the Service Area;
 - b. A physical survey conducted by or with the approval and oversight of the applicant;
 - c. Information drawn from the property tax rolls;
 - d. Land use information available to the applicant; or
 - e. Another survey or source approved by CDBG prior to submittal of the application.
- Confirm that at least fifty-one percent (51%) of the persons within the Service Area are LM. This can be documented in the following manner:

From the current HUD provided Low Mod Income Summary Data (LMISD):

Current LMISD may be used only if it can be documented that the Service Area is coterminous with a census tract(s) or block group(s).

From a Special Survey

Data from a Special Survey of the Service Area may be used if conducted by or with the approval and oversight of the applicant and pre-approved by the CDBG Program.

From Another Survey or Source of Documentation

Data from another survey or other source of documentation (i.e. GIS data) may be used if approved by CDBG prior to the submission of the application.

Examples of Area-wide Benefit Activities

- Public works activities located in neighborhoods of a residential character.
- Public safety activities located in neighborhoods of a residential character.
- Community or neighborhood facilities in a primarily residential area.

Required Records

- The boundaries of the service area;
- The income characteristics of the persons living in the area; and
- Verification of the primarily residential nature of the area.

LM Benefit: Limited Clientele

Definition

A limited clientele activity is one which benefits (or is restricted to) a specific group of people, at least fifty-one percent (51%) of whom are low and moderate income, rather than all the residents of an area. Limited clientele activities may also consist of projects relating to the removal of architectural barriers. Activities that would not qualify under this category are those:

- Where the benefits are available to all residents in a service area;
- Involving the acquisition, construction or rehabilitation of property for permanent housing; or
- Where the benefit is based on the creation or retention of jobs.

Determination

In assessing the ability of a proposed CDBG activity to comply with the limited clientele benefit, the applicant needs to determine whether the activity will serve only specific types of client groups. If this is the case, the applicant must document that the proposed activity meets one (1) of the following:

- At least fifty-one percent (51%) of the clients to be served by the activity will consist of LM income persons, based on income; or
- At least fifty-one percent (51%) of project beneficiaries will be members of one (1) or more of the following target groups:
 - a. abused children
 - b. elderly persons*
 - c. battered spouses
 - d. homeless persons**
 - e. adults with severe disabilities***
 - f. illiterate persons****
 - g. persons living with AIDS
 - h. migrant farm workers

* Elderly is defined as age sixty-two (62) and older. When an activity such as a senior center or meals program will also serve those below age sixty-two (62), the total number of beneficiaries must be provided. Thus, it is possible that a limited clientele activity may not benefit one-hundred percent (100%) LM.

** Homeless persons are defined as: A youth (seventeen (17) years or younger) not accompanied by an adult (eighteen (18) years or older) or an adult without children, who is homeless (not imprisoned or otherwise detained pursuant to an Act of Congress or a State law), including the following:

- a. An individual who lacks a fixed, regular and adequate nighttime residence; and
- b. An individual who has a primary nighttime residence that is:
 1. A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters and transitional housing for the mentally ill);
 2. An institution that provides a temporary residence for individuals intended to be institutionalized; or
 3. A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

*** Adults with severe disabilities are defined as: Persons sixteen (16) years of age and older who

- a. Use a wheelchair or have used another special aid for six (6) months or longer;
- b. Are unable to perform one (1) or more Functional Activities or need assistance with an Activity of Daily Living (ADL) or Instrumental Activity of Daily Living (IADL);
 1. Functional Activities include seeing, hearing, having one's speech understood, lifting and carrying, walking up a flight of stairs and walking.

2. Activities of Daily Living (ADL) include getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating and toileting.
3. Instrumental Activities of Daily Living (IADL) include going outside the home, keeping track of money or bills, preparing meals, doing light housework and using the telephone.

The CDBG Program has interpreted this definition to include hospice patients.

- c. Is prevented from working at a job or doing housework; or
- d. Has a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia or mental retardation.
- e. Those persons under sixty-five (65) years of age and whom Medicare covers or who receive SSI are also considered to have a severe disability.

**** Illiterate includes those served by English as a Second Language (ESL) programs but does not include participants in GED programs.

- The activity is of such a nature and location that it may be reasonably concluded the persons to be served by the activity will primarily be low and moderate-income persons or households. For example, a childcare center with space for twenty (20) children located within a small self-help development (thirty (30) homes) even if the neighborhood per se is not LM; or
- The proposed CDBG activity consists of the removal of architectural barriers that restrict the accessibility of the elderly or person(s) with severe disabilities to publicly and privately owned, non-residential buildings, facilities and improvements; or the common areas of residential structures containing more than one (1) dwelling unit.

Examples of Limited Clientele Activities

- Public services for one (1) or several of the eligible target groups or for persons who must be income qualified to receive the service.
- Neighborhood or community facilities serving primarily persons who are income qualified or one (1) or more of the eligible target groups.
- Removal of architectural barriers.

Required Records

- The type of target group(s) using or that will benefit from the activity.
- The income level and qualification process of those who will primarily benefit.

Benefit to Low and Moderate Income: Housing Activities

Definitions

LM housing activity: Adds to or improves permanent, residential structures which are already owned and occupied or rented by LM persons, or will be made available for sale or rent to such persons after project completion. The housing can be either owner or renter occupied in either one (1) family or multi-family structures.

Household: All persons who occupy a housing unit. The housing unit may be a single family, one (1) person living alone, two (2) or more families living together or any other group of related or unrelated persons who share living arrangements.

Determination

Housing activities qualify under the LM area-wide benefit *only if located* in an approved Neighborhood Revitalization Strategy (NRS) area and all households can be assisted regardless of income. If the housing activity takes place outside of an approved NRS, then it must use the LM Housing benefit determination.

The income level and qualification process of those who will primarily benefit from each housing activity must meet one (1) of the following criteria: (*Note: Income certifications are valid for a maximum of six (6) months.*)

- Single-Family Dwellings - For acquisition, construction, rehabilitation or reconstruction of one (1) or two (2) units, at least one (1) unit must be occupied by a LM household or made available for rent or sale to such upon completion of the project. If the housing will be rented, there must be documentation that the rent will be “affordable.”
- Multi-Family Projects - In a structure with more than two (2) units, at least fifty-one percent (51%) of the units must be occupied by LM households at “affordable rent” or made available after completion of the project to such at “affordable rents.”
- New Construction of Multi-Family, Non-elderly Rental Housing Projects - The reduction of development costs for this type of project must meet the following requirements:
 - a. At least twenty percent (20%) of the units in the multi-family project will be occupied by LM households at affordable rents (i.e. the percent of LM units (at least twenty percent (20%)) determines the amount of CDBG funds that can be provided to the project).
 - b. The proportion of CDBG funds to the total development cost is no greater than the proportion of the number of units to be occupied by LM households at affordable rents to the total number of units. For example, if the total development cost is \$1 million, the project will have 100 units and twenty percent (20%) will be made available to LM families, then only \$200,000 of CDBG funds (or twenty percent (20%) of the total project costs) can be used for the project. Or, if the developer requests \$500,000 of CDBG funds, then at least fifty percent (50%) of the units will have to be made available to LM households at affordable rents.
 - c. Rents must remain affordable for at least five (5) years and annual reports will be required.
- New construction - An eligible CDBG activity only if undertaken by a Sub-recipient.

Required Records

Based on the type of housing activity proposed:

- A copy of the written agreement with each landlord or developer indicating the total number of dwelling units in each multi-family structure and the number/percentage that will be occupied by LM households.
- For each unit occupied by a LM household, the size and income of the household.
- For rental housing only, the rent charged or to be charged after acquisition, conversion, rehabilitation or reconstruction to ensure affordability by LM households, with the definition of “affordable rents” made available for public comment as part of the Citizen and Public Participation Process.

- For each property acquired where there are currently no residential structures, evidence of commitments to ensure that the above criteria will be met when the structures are built or converted.
- Where applicable, information required to verify that the activity qualifies as a non-elderly, multi-family housing project, as described above.
- When CDBG funds are used for acquisition of land only, or off- or on-site improvements, documentation from the developer of financing for the actual housing construction and a pro-forma.
- A copy of the signed agreement between the CDFI and the grantee that requires at least annual reports by the CDFI and copies of all such reports for a period of five (5) years after closeout. Such reports shall describe all of the housing related activities it assisted during the year, the amount of funds provided to each, the total number of beneficiaries in each, the total number of LM beneficiaries in each, the method of verifying LM status and the demographic characteristics of all applicants for and beneficiaries of all of the assisted housing activities.
- A Neighborhood Revitalization Strategy (NRS) approved by the CDBG Program.

Other

The CDBG Program recommends that upon completion all units assisted with CDBG funds meet federal Housing Quality Standards (HQS) or state or local standards if such are more stringent. Applicants wishing to undertake housing activities that will not meet HQS must provide a written rationale for the standard(s) they wish to use. Additionally, housing rehabilitation programs must incorporate weatherization energy efficiencies. Please refer to the ADOH Guidance on Weatherization Standards for Owner Occupied Housing Rehabilitation Handbook available from the ADOH Website at: <https://housing.az.gov/documents-links/forms/state-housing-fund>

The income determination to qualify a unit for rehab must include the income of all persons in the household regardless of familial status. Income certifications are valid for a maximum of six (6) months.

Examples of Benefit to Low and Moderate Income: Housing Activities

- Housing rehabilitation grants.
- The acquisition of land and on-site improvements by a local government that will then sell the land to a developer for a new housing development.
- The construction of sidewalks, sewers and water on the public right-of-way around a privately financed housing development.
- A grant to a non-profit to write down the costs of a new housing development.

PREVENTION OR ELIMINATION OF SLUMS OR BLIGHT

A maximum of thirty percent (30%) of each annual CDBG allocation can be applied to slum and blight (SB) and urgent need (UN) activities. Therefore, applicants must notify the CDBG program prior to the public hearing of their intention to apply for SB and UN activities.

Definitions and Determination

Activities that meet the Slum/Blight (SB) National Objective are those activities that will clearly eliminate objectively determinable signs of slums or blight on either an area basis or on a spot basis.

A slum area means an area in which both of the following are true:

- There is a predominance of buildings or improvements whether residential or nonresidential.
- The public health, safety or welfare is threatened because of any of the following:
 - a. Dilapidated, deteriorated, aging or obsolescent buildings or improvements;
 - b. The inadequate provision for ventilation, light, air, sanitation or open spaces;
 - c. Overcrowding;
 - d. The existence of conditions that endanger life or property by fire and other causes.

A blighted area means an area, other than a slum area, where sound municipal growth and the provision of housing accommodations are substantially hindered or arrested in a predominance of the properties by any of the following:

- A predominance of defective or inadequate street layout;
- Faulty lot layout in relation to size, adequacy, accessibility or usefulness;
- Unsanitary or unsafe conditions;
- Deterioration of site or other improvements;
- Diversity of ownership;
- Tax or special assessment delinquency exceeding the fair value of the land;
- Defective or unusual conditions of Title;
- Improper or obsolete subdivision platting;
- The existence of conditions that endanger life or property by fire and other causes.

Area Basis: To qualify under the national objective of slums/blight on an area basis, an activity must meet all of the following criteria:

- Be located in a defined geographic area that is officially designated by the grant recipient pursuant to ARS §36-1473 and meets the definition of a slum, blighted, deteriorated or deteriorating area established pursuant to ARS §36-1471. This is also known as a Redevelopment Area.
- The area must exhibit signs of economic disinvestment as indicated by at least one (1) of the following physical signs of blight or decay:
 - a. There must be a substantial number of deteriorated or deteriorating buildings throughout the area. HUD and ADOH will consider this test to have been met if throughout the Redevelopment Area at least twenty-five percent (25%) of the buildings are:
 1. deteriorated or deteriorating;
 2. abandoned;
 3. experiencing chronic high occupancy turnover rates or chronic vacancy rates in commercial or industrial buildings;
 4. experiencing significant declines in property values or abnormally low property values relative to other areas in the community;
 5. known or suspected of environmental contamination.

~OR~

- b. The public improvements throughout the Redevelopment Area must be in a general state of deterioration pursuant to ARS §36-1471. (For this purpose, it would be insufficient for only one (1)

type of public improvement, such as a sewer system, to be in a state of deterioration; rather, the public improvements **taken as a whole** must clearly exhibit signs of deterioration.)

(Note: The absence of public improvements in the Redevelopment Area cannot be equated with general deterioration of public facilities throughout an area.)

- Documentation must be maintained by the grant recipient on the boundaries of the Redevelopment Area and the conditions that qualified the area at the time of its designation. The recipient must maintain records to substantiate how the area met the slum or blighted criteria.
- Activities to be assisted with CDBG funds must be limited to those that address one (1) or more of the conditions that contributed to the deterioration of the Redevelopment Area.

(Note: This does not limit the activities to those that address the blight or decay itself, but it allows an activity to qualify if it can be shown to address a condition that is deemed to have contributed to the decline of the area (i.e. sewer infrastructure has failed and as a result buildings have been vacated and have fallen into a state of disrepair. In order to alleviate the deterioration and vacancies the sewer must be repaired.))

When the assistance is designed to address one (1) or more of the specific conditions that originally qualified the Redevelopment Area, typical activities designed to address slum or blight on an area basis include:

- Acquisition and clearance of blighted properties;
- Infrastructure improvements;
- Renovation and reuse of abandoned, historic buildings;
- Commercial revitalization through facade improvements;
- Removal of environmental contamination on property to enable it to be redeveloped for a specific use; and
- Rehabilitation of substandard multi-family housing:
 - a. Where the assisted activity is rehabilitation of multi-family residential structures, two (2) additional criteria must be met:
 1. Each such building must be considered substandard under local definition. (Grant recipients must have developed minimum building quality standards for this purpose.)
 2. All deficiencies making the building substandard must be corrected before less critical work on the building may be undertaken.

Spot Basis: Activities that prevent the spread of or eliminate slums or blight on a spot basis (i.e. not in a designated Redevelopment Area).

The elimination of specific conditions of blight or deterioration on a spot basis is designed to comply with the statutory objective for CDBG funds to be used for the prevention of blight, on the premise that such action(s) serves to prevent the spread to adjacent properties or areas.

To comply with the national objective of Elimination or Prevention of Slums or Blight on a Spot Basis (outside a Redevelopment Area), an activity must meet the following criteria:

- The activity must be designed to eliminate specific conditions of blight, physical decay or environmental contamination not located in a designated slum or blighted area; and

- The activity must be limited to one (1) of the following:
 - a. Acquisition (but see the discussion about this category below);
 - b. Clearance;
 - c. Remediation of environmentally contaminated properties;
 - d. Relocation (but see the discussion about this category below);
 - e. Historic preservation; or
 - f. Rehabilitation of buildings, but only to the extent necessary to eliminate specific conditions detrimental to public health and safety.

Where the assisted activity is acquisition or relocation, it must be a precursor to another eligible activity (funded with CDBG or other resources) that directly eliminates the specific conditions of blight or physical decay, or environmental contamination.

Required Actions and Record Keeping

Area Basis: The local governing body must document compliance with the requirements of A.R.S. §36-1473 as follows:

- The area or region is designated as a Redevelopment Area containing slum or blight conditions;
- Throughout the Redevelopment Area there are a substantial (defined as at least twenty-five percent (25%) as defined by the applicant) number of deteriorated or deteriorating buildings; or public improvements (defined by HUD as: including all facilities and improvements that are publicly owned (streets, water, sewer, sidewalks, curbs, gutter, parks, electrical grid, etc.), or that are owned by a non-profit and open to the general public) **taken as a whole** must clearly exhibit signs of deterioration;
- The activity proposed to be undertaken addresses one (1) or more of the conditions indicated in the applicant's Redevelopment Area (Slum or Blight) Resolution;
- Written notice by first-class mail must be sent to each owner of real property that is within the boundaries of a proposed Redevelopment Area. Addresses for property owners must be obtained from the most recent records of the County Assessor. The notice must include the time, date and location of a public meeting concerning the findings. Applicant must complete the Certificate of Mailing;
- A Public Notice must be posted in at least three (3) public locations at least sixteen (16) days prior to the public meeting;
- A Public Notice must be advertised in a newspaper of general circulation at least sixteen (16) days prior to the date set for hearing. The Notice shall describe the time, place and purpose of the hearing and shall also specifically identify the area to be redeveloped under the plan. All interested parties shall be afforded a reasonable opportunity to express their views respecting the proposed redevelopment plan at the hearing; and
- Adopt a Resolution that defines the Redevelopment Area and is in compliance with A.R.S. §36-1473.

Redevelopment (Slum or Blight) Resolutions will be accepted by the CDBG Program for a five (5) year period from the date of passage, provided that the Redevelopment Area boundaries remain the same. However, with each new application, information must be submitted regarding the current status of the buildings or public improvements identified as deteriorating or deteriorated; the specific activity proposed to be undertaken; and the definitions of terms relating to deteriorating or deteriorated public improvements and buildings.

Required Records for Area Basis

The applicant must ensure that records are available to document the following:

- The Redevelopment (Slum or Blight) Resolution by the local governing body enacting the designation, to include the boundaries of the target area established pursuant to ARS §36-1473;
- Supporting documentation describing conditions in the Redevelopment Area which formed the basis for the passage of the resolution;
- Map of the Redevelopment Area;
- Proof of publication;
- Certification of Posting;
- Certification of mailing to property owners in Redevelopment Area;
- The criteria (buildings or public improvements) used to qualify area;
- Area assessment documentation in support of the selected criteria (i.e. visual assessment forms, public works assessments, photos, Capital Needs Improvement Plan, public building inspections, ADEQ violations, etc.);
- A description of the activity showing how it will address a condition that led to the decline of the area.

If the proposed activity involves multi-family residential rehabilitation, the activity must also be supported by documentation that shows:

- How the building qualifies under the state grant recipient's definition of "sub-standard"; and
- As applicable, information showing that any deficiencies making the building substandard were eliminated prior to less critical work being done.

Spot Basis: The applicant may propose to undertake acquisition, clearance, relocation, historic preservation or building rehabilitation activities to eliminate specific conditions of blight or physical decay on a spot basis (outside of a designated Redevelopment Area). However, if the applicant is considering the rehabilitation of buildings, the rehabilitation would need to eliminate specific conditions detrimental to public health and safety AND be limited to such actions.

Required Records for Spot Basis

The applicant needs to ensure that records are available to document the following:

- A description of the specific condition of blight or physical decay to be addressed and who determined such, the person's qualifications and the date of determination;
- A description of the assisted activity showing that it falls under one (1) of the activity types that are eligible to be carried out under this subcategory;
- A map of the project area.

URGENT NEED AND HEALTH HAZARD BENEFIT*Definition*

The activity poses a serious immediate threat to human health and welfare.

Determination

An activity qualifies under the Urgent Need and Health Hazard benefit if it meets the following criteria:

- The activity is located within a disaster area as declared by the President or Governor; and the proposed activity is designed to alleviate or eliminate the conditions causing the declaration.
- There is a letter signed by the Federal Environmental Protection Agency (EPA) Regional Director or the Arizona Department of Environmental Quality (ADEQ) Director attesting to the fact that the conditions which resulted in the urgent need/health hazard were related to either a human fatality or illness or contamination of a type and level known to cause death or illness to human beings; and the document also states the minimum specific actions to be taken by the applicant to alleviate or eliminate the urgent need/health hazard.
- The condition causing the urgent need or health hazard occurred not more than eighteen (18) months prior to the adoption of an Urgent Need/Health Hazard Resolution.
- The application will be submitted to the CDBG Program no more than twenty-four (24) months after the designation of the condition as a UN health hazard by the President, Governor, EPA or DEQ.
- The local government documents that it is unable to finance the proposed activity on its own and other resources are not available for the project.

Each COG may recommend a maximum of thirty percent (30%) of its annual allocation for any combination of CDBG activities that will alleviate or eliminate Urgent Need, Health Hazards and for those justified on the basis of meeting the SB National Objective.

Applications to the SSP justified on the basis of UN will only be funded if the statutory limit has not been met based on the applications funded from the RA.

Examples of Urgent Need and Health Hazard Benefit Activities:

- Reconstruction of a broken water or sewer main.
- Construction of a new holding pond, lift station or well.

Required Records

- The nature and degree of seriousness of the UN condition;
- Evidence that the proposed activity will alleviate or eliminate the health hazard;
- Information on the timing of the development of the condition;
- Evidence that other financial resources are not available from the local government or other public and private sources;
- An Urgent Needs Resolution.

ELIGIBLE GRANT ACTIVITIES

The list of eligible activities under the CDBG Program is quite extensive. It includes examples of specific eligible and ineligible components within each category. Please note that the components are examples ONLY and are not all-inclusive. Grant activities must comply with the priorities of the State as articulated in the State's Consolidated Plan and Annual Action Plan.

Public and Privately Owned Water System Improvements

Eligible Items:

- Installation of new lines.
- Replacement of existing lines (but only if such are deteriorated or obsolete based on federal or state requirements).
- Installation of larger capacity lines.
- Installation of fire hydrants.
- Construction of new intake stations.
- Drilling of new wells in conjunction with hydrology study.
- Replacement of facilities beyond their expected life.
- Plant expansions or modifications due to increased water demand.
- Plant expansions or modifications due to changes in source water quality.
- Replacement of major equipment (i.e. clarifiers).
- Construction of elevated or ground storage tanks.
- Acquisition of real property (including ROW/easements).
- Utility connections (physical work only on private property).
- Assessments for low and moderate income persons.
- Clearance of land to include demolition or moving buildings.

Ineligible Items:

- Cleaning of lines (unless necessary as a prerequisite for undertaking one (1) of the eligible activities).
- Replacement of minor equipment (i.e. pumps) which is considered Operations and Maintenance (O&M).
- Any improvements which will result in operations not compliant with applicable state, federal and local laws and regulations.
- Installation or expansion that does not actually connect homes to the system; although this is eligible if funding for the connections comes from sources other than CDBG.
- Improvements that will provide service far exceeding the needs of the current area residents based on past and projected reasonable growth levels evident in the community.
- Water systems improvements where a hydrology study is absent.

Public and Privately Owned Wastewater System Improvements

Eligible Items:

- Installation of new lines.
- Replacement of existing lines (only if deteriorated or obsolete based on new federal or state requirements).
- Installation of larger capacity lines.
- Construction of new lift stations to expand capacity.
- Plant expansions or modifications due to changes in influent characteristics.
- Plant expansions due to increased influent where the existing facility is operating at or near capacity as established by the ADEQ.

- Construction of a new sewage treatment plant.
- Acquisition of real property (including ROW/easements).
- Utility connections (physical work only on private property).
- Assessments for low and moderate income persons.
- Clearance of land to include demolition or moving buildings.

Ineligible Items:

- Clearing of lines (unless necessary as a prerequisite for undertaking one (1) of the eligible activities.)
- Rehabilitation of lift stations if no expanded capacity is being added to collection or treatment systems.
- Replacement of minor equipment (i.e. blowers and pumps).
- Any improvements which will result in operations not compliant with applicable state, federal or local laws and regulations.
- Installation or expansion that does not actually connect homes to the system; although this is eligible if funding for the hookups comes from sources other than CDBG or the LM homeowners/renters.
- Improvements which will provide service far exceeding the needs of the current area residents based on past and projected reasonable growth levels evident in the community.

Road/Street Improvements

The life of all street and road improvements must be documented and extend the life of the road for a minimum of five (5) years.

Eligible Items:

- Construction of roadways at new locations, regardless of surface materials.
- Construction of added width or capacity in the form of additional lanes.
- Acquisition of additional right-of-way for construction at new locations or for added width capacity.
- Projects that increase the structural strength of the roadway or improve the service of the roadway (generally, this refers to improvements in the surface material quality (i.e. caliche to crushed rock, crushed rock to asphalt, etc.)).
- Construction where required to prevent improper drainage onto the street.
- Curb and gutter when necessary as a street improvement vs. a flood control activity.
- Chip and seal as part of a street maintenance program using MAG or equivalent street construction standards.
- Street lights.
- Traffic signals.
- Street signs.
- Street furniture.
- Trees.
- Alleys.
- Causeways.
- Sidewalks.

Ineligible Items:

- Seal-coating.
- Over-lays.
- Level-ups.
- Resurfacing to return to the original design and condition of the roadway (same exception).
- Resurfacing, stabilizing or widening roadway shoulders and side road approaches (except in conjunction with eligible drainage activities).

Parking Facilities

Eligible Items:

- Acquisition of land.
- Site improvements.
- Paving, if currently unpaved.
- Repaving if there is documentation that the repaving will extend the life of the parking lot for at least five (5) years.

Ineligible Items:

- Repairing a parking lot.
- Paving a parking lot and defining it as “removal of barriers”.

Flood and Drainage Improvements

Eligible Items:

- Permanent drainage facilities (storm sewer lines, concrete structures, culverts, related ditch grading or curb and gutters where an engineering report indicates such is necessary to prevent flooding and drainage problems).
- Acquisition of real property, including ROW/easements.

Ineligible Items:

- Ditch cleaning and other operation/maintenance activities.

Other Public and Privately Owned Utilities

Eligible Items:

- Installation of new lines.
- Installation of connections.
- Replacement of existing lines, if deteriorated or obsolete.
- Installation of larger capacity lines.
- Replacement of facilities beyond their expected life.
- Replacement of major equipment.
- Acquisition of real property (including ROWs/easements).

Ineligible Items:

- Cleaning of lines.
- Replacement of minor equipment.
- Installation that does not connect homes to a system.
- Any improvements which will result in operations not compliant with applicable state, federal and local laws and regulations.

Combinations of Public Facilities

This activity may include a combination of such facilities when they will be constructed in the same area and will serve the same population/beneficiaries (i.e. water, sewer and gas lines that will all be installed along the same street). The aggregation of these items as one (1) activity is intended to avoid duplication of beneficiary information and simplify the application process for the applicant. Each activity needs to be explained separately on the application form(s).

Special Assessments**Eligible Items:**

- An assessment, in the form of grants only, for all individually income qualified LM persons for owner-occupied residences.

Ineligible Items:

- Assessments for non-owner occupants.
- Assessments fees for non-income qualified low and moderate income persons.
- Assessments in the form of a loan or deferred payment loan to a low and moderate income owner-occupant.

Fire and Police Protection Facilities**Eligible Items:**

- Fire and police station construction.
- Fire trucks.
- Fire equipment.

Community and Supportive Housing Facilities

- Other neighborhood facilities (i.e. a youth center or a community center). A single community center is only eligible to receive CDBG funding two (2) times over a ten (10) year period.
- Senior centers/social service centers/facilities, to include those serving persons with special needs, such as persons with disabilities (to be identified by type of group served).
- Supportive housing facilities (i.e. shelters and halfway houses, group homes for homeless persons, runaway children, drug offenders, parolees or the mentally retarded and temporary housing for disaster victims, hospitals, nursing homes, convalescent homes and battered spouse shelters).

Unless otherwise defined by the CDBG Program for a grantee's specific activity, at least fifty-one percent (51%) of those using the facility must be LM or CDBG funds are used only for the portion of the facility that serves LM persons.

Eligible Items:

- Acquisition of land or structures.
- Clearance of land or structures.
- Construction, reconstruction or rehabilitation of structures.
- Installation of permanent equipment.
- Accessibility as part of the improvement.
- Furniture and equipment that is permanently affixed or structurally integral to the facility.
- Parking improvements.
- Trees, similar items and landscaping, if integral to the project.
- Sprinkler systems (interior or exterior).

Ineligible Items:

- Operation and maintenance expenses (although such may be eligible as a Public Service activity).
- Expendable equipment (although such may be eligible as a Public Service activity).
- Furniture and equipment that is not permanently affixed or structurally integral to the building, such as chairs, tables, drapes, dishes (although such may be eligible as a Public Service activity).
- Assistance of any kind if title will be held by an entity other than the local government without guarantees as to the accessibility of the facility to the general public or LM persons or a LM group; or there is less than a five (5) year lease (after contract closeout) with the municipality to include access and fee conditions.
- Charging excessive fees that will preclude LM persons from utilizing the facility will invalidate the activity, with information about such actual or proposed fees to be submitted along with the application. The determination of "excessive" will be made by the Department of Housing, based on fees for similar activities or services in other areas.
- Assistance to a facility that will be open less than twenty (20) hours per week.

Removal of Architectural Barriers

Eligible Items:

- Installation of elevators in public buildings.
- Construction or rehabilitation of accessible bathrooms.
- Construction of ramps, curbs and gutter cuts for accessibility.
- Signage.
- Installation of automatic doors.
- Renovation of counter tops, drinking fountains, aisles and shelving to ensure accessibility.
- Purchase of accessible, permanently affixed equipment such as picnic tables or swimming pool lifts.
- Purchase and installation of TDDs and audio systems.
- Creation of accessible parking.

- Any other action that removes material or architectural barriers which restrict the mobility and accessibility of the elderly or person(s) with severe disabilities to publicly and privately owned buildings, facilities and improvements.

There must be a human-constructed barrier for removal to take place. Decisions about whether an activity is removal or a public facility/improvement will be made on a case-by-case basis, by the Department of Housing, after consultation with various entities including HUD. Applicants considering a removal activity that is not listed above should contact ADOH as soon as possible.

Ineligible Items:

- Any actions identified above that do not comply with UFAS, ADDAG, AZ ADDAG or a more stringent state or local code.
- The paving of an entire unpaved parking lot or street.
- Construction of an accessible facility or improvement where there is no current facility or improvement in existence (i.e. if a park has no bathrooms, the applicant may not request funds to construct accessible bathrooms and identify the activity as removal; rather that would be classified as a park improvement and qualified on the basis of area-wide LM benefit).
- Pathways or sidewalks (i.e. an accessible route) which are not within the boundary of the site from public transportation stops, accessible parking spaces, passenger loading zones, if provided, and public streets or sidewalks to an accessible building entrance.
- An accessible route within a site that does not lead to an accessible facility.
- Large print books and tapes, audio visual and similar equipment for persons with disabilities. However, such may be eligible as a public service.

All components of a removal activity must be consistent with the applicant's Transition Plan or the applicant must verify that the Transition Plan will be amended to reflect those items.

Public Services (PS)

The state is limited by the CDBG statute to fifteen percent (15%) of its annual allocation for Public Service activities. Therefore, applicants must notify the CDBG Program prior to the second public hearing of their intention to apply for funds for a public service. The written notification must specify the type of public service to be undertaken and the maximum amount of resources to be requested. Please include a copy of the ADOH approval letter with the Application.

Eligible Items:

- Health care.
- Job training.
- Education programs.
- Public safety services.
- Fair housing activities.
- Services for senior citizens.
- Services for the homeless.

- Drug abuse counseling and treatment.
- Counseling for abused spouses and children.
- Literacy training and English-as-a-Second-Language.
- Energy conservation counseling and testing.
- Labor, supplies and materials for any of the above.
- The cost of operating and maintaining that portion of the facility in which the service is located.
- Equipment used in the provision of any of the above services (i.e. a computer for a job training program).
- Block watch and similar activities which are above and beyond the definition of code enforcement.
- Code enforcement/compliance.
- Emergency assistance (utility, rent, or mortgage payments) not to exceed a single three (3) month period.
- Individual development accounts for payment of education/job training expenses.
- Ambulances not owned and operated by a municipal fire department, fire district or fire association.

Ineligible Items:

- Any of the above for an activity that is not new or does not represent a quantifiable increase of an existing service above that which has been provided by or in behalf of the unit of general local government in the preceding twelve (12) calendar months whether funded from local, state or federal funds. An exception to this requirement may be made if the ADOH determines that the decrease in the level of a service was the result of events not within the control of the unit of general local government.
- A public service for which there are no pledged commitments to continue the service for a minimum of one (1) year after the expenditure of the CDBG funds (based on all known factors at the time of application).
- Purchase of vehicles (except as Fire Protection Equipment).

Housing

Communities considering using CDBG resources for housing should bear in mind that the Department of Housing also administers the following programs which may be used independently or linked with CDBG funds. For further information, please consult Chapter 11 of this Handbook; <https://housing.az.gov/>; and/or an ADOH staff person assigned to the program you are interested in also applying for.

The State of Arizona HOME Program (HOME) - A federal HUD program offering funding for, rental housing production, rehabilitation for owner occupied or rental housing (income restrictions apply), acquisition or combinations thereof.

The State of Arizona Low Income Housing Tax Credit Program (LIHTC) - A federal program designed to induce the acquisition, rehabilitation, construction or combinations thereof of multi-family development through the provisions of tax credits to sponsors of eligible housing to be developed.

The State of Arizona Housing Trust Fund Program (HTF) - A flexible state-funded program which may be used in a variety of ways for any housing or supportive housing activity for low and moderate income persons and families.

Housing Opportunities for Persons With HIV/AIDS (HOPWA) - A federal program to provide, housing assistance and services for persons afflicted with AIDS.

McKinney-Vento Homeless Assistance Act (aka Continuum of Care or COC) - A federal program to provide rental assistance, rapid re-housing and supportive services for persons or families who are experiencing homelessness.

Owner Occupied Housing Rehabilitation

Eligible Items:

- Repair, rehabilitation or reconstruction.
- Connection of homes to utility lines.
- Assistance to owners for refinance of existing loans secured by the property being rehabilitated with CDBG funds, if the refinancing is determined to be necessary or appropriate.
- Flood insurance premiums.
- Hazard insurance premiums.
- Actions to inspect, test for and abate lead-based paint hazards.
- Improvements to increase energy efficiency in structures through means such as full home energy audits, the installation of storm windows and doors, siding, wall and attic insulation, conversion, modification or replacement of heating and cooling equipment including the use of solar energy.
- Rehabilitation and replacement of manufactured housing when such is part of the community's permanent housing stock, as defined and documented by the community.
- Installation of security devices, including smoke detectors and dead bolt locks.
- Improvements to increase the efficient use of water through such means as water saving faucets and shower heads and water leak repairs.
- Appliances (i.e. refrigerator, stove, dishwasher, washers and dryers) must be compliant with Energy Star standards.
- A lump-sum drawdown program for housing rehabilitation within certain specific parameters.
- Emergency repairs.
- Costs of acquiring tools to be lent to or used by owners, tenants and others who will use such tools to carry out rehabilitation.
- Rehabilitation services to pay for staff that provides: rehabilitation counseling, energy auditing, work specs, loan processing, inspections and other services related to the rehabilitation.
- Costs associated with temporary relocation including rent, utilities, food allowance and moving costs.

The CDBG Program allows a lump sum drawdown to establish a revolving loan fund for rehabilitation of privately owned properties. Interest earned on the drawdown is considered program income and all program income requirements would apply.

Ineligible Items:

- Reimbursement to a homeowner for the cost of his/her labor involved in a rehabilitation activity.
- Furniture; luxury items.

- Rehabilitation not undertaken by licensed contractors, where such is required by state law or local ordinances.

Rental Rehabilitation

Eligible Items:

- Repair, rehabilitation or reconstruction.
- Acquisition of property for the purpose of rehabilitation.
- Connection of residential structures to utility lines.
- Assistance to owners for refinance of existing loans secured by the property being rehabilitated with CDBG funds, if the refinancing is determined to be necessary or appropriate.
- Flood insurance premiums.
- Actions to inspect, test for and abate lead-based paint hazards.
- Improvements to increase energy efficiency in structures through means such as the installation of storm windows and doors, siding, wall and attic insulation, conversion, modification or replacement of heating and cooling equipment including the use of solar energy.
- Installation of security devices, including smoke detectors and dead bolt locks.
- Improvements to increase the efficient use of water through such means as water saving faucets and shower heads and water leak repairs.
- Appliances (i.e. refrigerator, stove, dishwasher, washers and dryers) must be compliant with Energy Star standards.
- Rehabilitation that meets HQS or state or local code, if more stringent (unless the applicant can provide a rationale for another less stringent standard along with a definition of such).
- Rehabilitation services to pay for staff that provides: rehabilitation counseling, energy auditing, work specs, loan processing, inspections and other services related to the rehabilitation.
- Assisting owners, tenants, contractors and other entities participating or seeking to participate in the rehabilitation program, regardless of the funding source for the actual rehabilitation as long as the overall activity meets a National Objective.
- Costs associated with temporary relocation including rent, utilities, food allowance and moving costs. All costs must be documented and supported by an equitable written policy.

Ineligible Items:

- Rehabilitation not undertaken by licensed contractors, where such is required by state law or local ordinances.
- Rehabilitation of rental housing where:
 - a. The rents are not “affordable” to LM persons; or
 - b. There is no written Legally Binding Commitment (LBC) from the owner to meet certain requirements including non-discrimination, affirmative marketing, record collection and retention, access to records and tenants.

Public Housing Rehabilitation and Modernization

Eligible and ineligible activities and costs are generally the same as for rental rehabilitation as listed above with some exceptions.

Homeownership Assistance**Eligible Items:**

- Interest write-downs.
- Principal down payment.
- Acquisition of housing that will be occupied by eligible home buyers.
- Loan guarantees.
- Up to fifty percent (50%) of down payment assistance.
- Reasonable closing costs.
- Housing counseling as a part of Home Ownership Assistance program.

Ineligible Items:

- Housing counseling that is NOT a part of a Home Ownership Assistance program.

Construction of New Housing by a CBDO**Eligible Items:**

- Acquisition of land or buildings to include appraisals.
- Construction costs.
- Engineering and construction of connecting utilities.
- Architecture and engineering.
- Clearance or demolition.
- Soft costs to include a marketing or feasibility study, preliminary architectural drawings, site drawings and utility plans, narrative descriptions of the proposed construction, preliminary cost estimates, any reasonable costs associated with development of applications for mortgage and insured loan commitments, fees associated with processing of applications for mortgage or insured loan commitments (i.e. those administered by HUD, RD, etc.). These will usually be considered administrative costs and will be subject to the eighteen percent (18%) limitation.
- Developer fees and overhead are limited to ten percent (10%) of the cost of the project. The cost of the project is defined as the total of land acquisition, construction and architectural permits and legal fees. It does NOT include administration, profit, developer fees and overhead. The application must include a detailed budget of such costs; the costs must be fixed and determinable; the services have been provided; there is a legal obligation to pay; and the amount approved will be based on an analysis of overall project costs.

Ineligible Items:

- Improvements to property owned by a for-profit entity.
- Improvements to land owned by a non-profit entity that does not meet the definition of a CBDO.

- New housing construction undertaken by a public entity.

Loss of Rental Income

Payments to housing owners for loss of rental income incurred while holding housing units for the relocation of individuals and families displaced by CDBG funded activities. Usually, this would be considered part of another activity such as Housing Rehabilitation.

Lead Based Paint Hazard Evaluation or Reduction Activities

These activities do not have to be part of any ongoing housing rehabilitation effort to be eligible. They may also be considered a Public Service if new or an expansion of an existing program.

Individual Development Accounts (IDAs)

IDAs are dedicated savings accounts that can only be used for purchasing a home; paying for education or job training expenses; or capitalizing a small business. These accounts, which are generally managed by community organizations, are held at local financial institutions in the name of the individual participant. Contributions are made by individual participants over a pre-established time period and are matched using both private and public resources.

The use of CDBG for IDAs is not an eligible activity in and of itself. However, the purpose for which the funds in an IDA are to be used - to buy a home, start a business, or pay for education/job training - are eligible activities under the CDBG program. Therefore, CDBG may be used as required match for IDAs when the family or household of the individual for whom the IDA is established is determined to be low- or moderate-income prior to assistance being provided.

Neighborhood Revitalization and Redevelopment

Pedestrian Malls and Walkways

Eligible Items:

- Acquisition of land or right of way.
- Construction.
- Improvements and expansions.
- Reconstruction (i.e. to extend the useful life by at least eight (8) years).

Ineligible Items:

- Repairs and maintenance such as repainting or re-plastering an existing mall.

Historic Preservation

Eligible Items:

- The rehabilitation, preservation or restoration of historic properties, whether publicly or privately owned. These properties must be listed in or eligible for the National Register of Historic Places, listed in a state

or local inventory of historic places or designated as a state or local landmark or historic district by appropriate law or ordinance.

Ineligible Items:

- Actions on properties not meeting the criteria above (although such may be eligible as commercial rehabilitation).
- Actions not approved by the State Historic Preservation Officer (SHPO) or the National Advisory Council on Historic Preservation.

Acquisition, Disposition, Clearance or Demolition of Real Property

Eligible Items:

- Acquisition can only take place if it is compliant with the Uniform Relocation Act; and if there is disposition, funds will likely be considered program income.
- Clearance or demolition to remove dilapidated buildings as part of another eligible CDBG project.
- Clearance and demolition of dilapidated buildings without another eligible CDBG purpose in slum and blight areas.

Ineligible Items:

- Clearance or demolition of a property that does not belong to an income-qualified LM person (when there is no planned use for the property that will provide a secondary benefit to low-to-moderate income persons). Refer to Section 9 of this Handbook for additional information.

Commercial or Industrial Rehabilitation

Eligible Items:

- Assistance in the form of a loan, grant, deferred payment loan, loan guarantee, interest write-down, principal reduction or other forms of assistance.
- If owned by a private for-profit entity, such assistance is limited to improvements to the exterior of the building and/or the correction of code violations. Improvements beyond this scope are considered an economic development activity which must be in the form of assistance determined "appropriate".
(Note: Commercial Rehab Guidelines must be adopted.)

Ineligible Items:

- Assistance to a private for-profit entity not limited to the exterior of the building and/or the correction of code violations.

Planning and Capacity Building Activities

The state is limited by the CDBG statute to twenty percent (20%) of its annual allocation for administration (with two percent (2%) plus \$100,000 retained by the ADOH for CDBG Grant Administration) and planning activities. Therefore, applicants are urged to notify the CDBG Program in advance of their intention to apply for funds for a planning grant. The written notification must specify the type of plan to be undertaken and the maximum amount of resources to be requested. ADOH retains the right to declare an application for this activity non-

fundable on the basis of the state limitation. Applicants will be considered for funding for this activity, if the statewide limitation is exceeded, on a first-notified, first-funded basis.

Eligible Items:

All costs of data gathering, studies, analysis and planning, including, but not limited to:

- Comprehensive plans.
- Community development plans.
- Neighborhood Revitalization Strategy (NRS).
- Functional plans in areas such as housing, land use and urban environmental design, economic development, open space and recreation, energy use and conservation, floodplain and wetlands management, transportation, utilities, historic preservation, etc.
- Other plans and studies such as small area and neighborhood plans, capital improvement programs, individual project plans (excluding engineering and design costs related to a specific activity which are eligible as part of the cost of such activity) and the reasonable costs of general environmental, urban environmental design, historic preservation studies, strategies and action programs to implement plans, development of codes, ordinances and regulations, analysis of impediments to fair housing choice, etc.
- Policy, planning, management and capacity building activities.

Because a plan, if implemented, can relate to any other type of CDBG eligible activity, there are no application forms specifically designed for a planning activity. Rather, the nature of the plan will determine the form to be used.

Ineligible Items:

- Cost of implementing a plan or capacity building activity.
- Engineering/design (that is considered part of the specific activity per se for which the engineering design is undertaken).
- A document that does not include alternatives or options and which is thus not a “plan”.

Other CDBG Eligible Activities

Some of these activities are likely to be identified as part of another eligible activity discussed earlier in this Handbook.

- Interim Assistance.
- Payment of non-federal share required in connection with a federal grant-in-aid program.
- Relocation.
- Renovation of closed buildings.
- Special activities by Sub-recipients.
- Establishment of a Uniform Telephone System.

Interim Assistance

The area in which such actions are to take place must exhibit objectively determinable signs of physical deterioration.

Eligible Items:

- Repair of streets, sidewalks, parks, playgrounds, publicly owned utilities and public buildings.
- Execution of special garbage, trash and debris removal, including neighborhood cleanup campaigns (but not the regular curbside collection of garbage).
- The applicant must determine, in the form of a resolution, that immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as soon as practicable.

All activities authorized above are limited to the extent necessary to alleviate emergency conditions. Interim assistance is not synonymous with an activity that meets the Urgent Need National Objective.

To alleviate emergency conditions that threaten the public health and safety and where the chief executive officer of the applicant has determined that such an emergency condition exists and requires immediate action in the form of a resolution, CDBG funds may be used for:

- The activities specified above, except for the repair of parks and playgrounds.
- The clearing of streets, including snow removal and similar activities.
- The improvement of private properties.

Payment of Non-Federal Share

Eligible Items:

- Payment of the non-federal share required in connection with a federal grant-in-aid program undertaken as part of a CDBG activity. Usually these funds are described by the name of the activity for which they are used. However, CDBG funds may be considered the “non-federal share” for many public programs.

Ineligible Items:

- CDBG funds used as a non-federal share for an activity that itself is ineligible (i.e. construction of a new city hall) or does not meet a National Objective.

Relocation Assistance

Eligible Items:

- Payments and other assistance for permanently and temporarily relocated individuals, families, businesses, non-profit organizations and farm operations where assistance is required by law. These payments will generally be part of another activity such as construction of a center which requires land acquisition resulting in the relocation of families or housing rehabilitation. Such relocation assistance must be compliant with URA and/or Section 104 (d) of the HCDA.

Ineligible Items:

- Payments that are not compliant with the URA and/or Section 104(d) of the HCDA.

Renovation of Closed Buildings

Eligible Items:

- Renovation of closed buildings, to include closed school buildings, for use as eligible public facilities (i.e. a senior, social services or medical center) or for housing. This activity will usually appear as part of another activity such as community facilities or housing.

Ineligible Items:

- Renovation of a facility that will not be used to meet a National Objective after renovation is completed.

Establishment of a Service and Emergency Telephone Number System

CDBG funds may be used, in part, to establish, and operate “211” calling systems (“211” lines). “211” lines are short cut telephone dialing systems that allow customers to use an easy to remember phone number, “211,” to obtain referrals to community services. The systems are similar in design to “911” emergency or “411” directory assistance lines. A “211” system reduces the number of calls made to access community-based organizations and government agencies. Due to the nature of many community service referrals (low cost housing, meals, utility assistance, etc.), it appears that many of the users of “211” lines are low-and moderate-income persons.

Meeting the National Objective will depend on the composition of the service area and/or the actual usage of the “211” call center.

Service Area has at Least Fifty-one Percent (51%) Low-and Moderate-Income Persons

If the entire service area has at least fifty-one percent (51%) low-and moderate-income persons (a few examples of possible candidates may include the Mississippi Delta, the Colonias or Appalachia regions), CDBG funds can be used to support the components of a “211” system as listed below. CDBG can be used to:

- Install the lines, including the actual infrastructure for the telephone lines.
- Establish a separate public facility structure to house the “211” call center.
- Staffing of “211” call center lines and cover other operating costs.

Service Area has Less than Fifty-one Percent (51%) Low- and Moderate- Income Persons

When the “211” call center has a service area containing less than fifty-one percent (51%) low-and moderate-income persons, CDBG cannot be used to cover the development costs for establishing the “211” calling system. However, CDBG could be used to support public services by reimbursing grantees for that proportion of calls to the center that result in service referrals for low-and moderate-income persons. These calls would only be reimbursable under certain circumstances.

CDBG could be used for reimbursement only after it is established that the “211” calling center provided assistance to a low-moderate income person under the circumstances provided below, pursuant to 24 CFR 570.208 (a)(2)(i)(A) or (C) or 570.483(b)(2)(ii)(A) or (C):

- Individuals who could be presumed to be low-or moderate- income because they request a referral to a service that is included with the defined presumptive group, (i.e. abused children, battered spouses, elderly persons, person(s) with severe disabilities, homeless persons, illiterate adults, persons living with AIDS or migrant farm workers); or

- Individuals who request information or referral to a particular service that has previously been identified by the call center as being restricted to persons who are low-or moderate-income.

CDBG funds may be used by a unit of general local government to develop, establish, and operate a “911” uniform emergency telephone number system that meets all of the criteria below:

- Operation with CDBG funds cannot exceed two (2) years after the system is established.
- The area to be served may have less than fifty-one percent (51%) LM persons if:
 - a. The system contributes substantially to the safety of the residents of the area served by the system;
 - b. Not less than fifty-one percent (51%) of the USE of the system will be by persons of low and moderate income;
 - c. Other federal funds received by the locality are insufficient or unavailable for these activities;
 - d. The percentage of costs paid with CDBG funds will not constitute a percentage of the total costs of the activity that is greater than the percentage of low and moderate-income persons in the service area of the system; and
 - e. Preapproval by the CDBG Program and by HUD is required.

Ineligible Items:

- Any telephone number system that does not meet all of the requirements above.

Program Administrative Expenses

Eligible Items:

These costs are limited to a maximum of eighteen percent (18%) of any application, except for a planning only grant. Payment of administrative costs related to the planning and implementation of eligible community development activities assisted in whole or in part with CDBG funds to include the following:

- Program management, coordination and monitoring.
- Provision of information to affected parties in the planning, implementation and evaluation of grant activities.
- Fair housing activities to further applicable state and federal laws.
- Application preparation for CDBG funds or for other federal programs if related to CDBG activities.
- Administrative expenses to facilitate housing development (i.e. securing financing, market and cost assessments associated with projects and special outreach services).
- The total or prorated salaries, wages and related costs of persons engaged in program administration. This can include the applicant's staff or staff of other public or non-profit entities with which the applicant has a written agreement who are engaged in similar program administrative tasks. The allowable amount is based on the amount of time each person is engaged in CDBG administration.
- Travel costs.
- Administrative services performed under third party contracts or agreements including such services as general legal and accounting services.
- Goods and services such as rental or purchase of office equipment, insurance, utilities, office supplies and rental and maintenance (but not purchase) of office space.
- Indirect costs in accordance with OMB Circulars A-102, A-87, and A-122.

- Implementation of the administrative requirements of Section 504 and the Americans with Disabilities Act.
- Audits.

Ineligible Items:

- Expenses to facilitate housing development such as detailed project design costs (i.e. architectural and engineering services, project structural, mechanical and electrical drawings, etc.).
- The costs of barrier removal actions involving structural change.

Ineligible Activities:

The following are always ineligible; however, some EXCEPTIONS are noted.

- Acquisition, construction or reconstruction of land and buildings or portions thereof, used for the general conduct of government EXCEPT for the removal of architectural barriers involving any such building. Buildings used for the general conduct of government include city/town hall facilities, justice/court buildings, county administrative offices, etc.
- General government expenses (i.e. those required to carry out the regular responsibilities of the unit of general local government EXCEPT as otherwise specifically authorized in this Handbook or under OMB Circular A-87).
- The acquisition, construction or reconstruction of facilities; the purchase or lease of equipment; or the payment of personnel or operating and management used for or related to any political purpose or for any other partisan political activities. A facility originally assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis and are assessed equal rent or use charges, if any.
- The purchase of construction equipment with CDBG funds EXCEPT for a solid waste facility and fire protection equipment. However, compensation for the use of such equipment through leasing, depreciation or use allowances are eligible.
- The purchase of fixtures, motor vehicles, furnishings or other personal property not an integral structural fixture of a facility is generally ineligible EXCEPT for such used in administration, as firefighting equipment or for a public service activity.
- Any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible EXCEPT when such is associated with a public service activity, for interim assistance or office space for CDBG Program staff.
- Construction of new permanent residential structures or for any program to subsidize or assist such new construction EXCEPT as allowed by a CBDO.
- Income payments (i.e. funds directly provided to a LM person except for housing rehabilitation or emergency assistance (utility, rent or mortgage payments) not to exceed a single three (3) month period).
- Assistance to construct, operate or otherwise benefit a facility or a facility with a designated portion of that facility which sells or intends to sell predominantly cigarettes or other tobacco products. (Predominately means cigarette or tobacco sales representing more than thirty-five percent (35%) of annual in-store, non-fuel sales.)

SECTION 3. APPLICATION REVIEW

THRESHOLD REVIEW

Once a funding application is determined to be eligible for CDBG funding it must pass a six (6) part application review.

- Application is complete;
- Costs must be necessary and reasonable;
- The project must be ready to start as described below;
- The project must result in “benefit”;
- The recipient must have the capacity (with all staff in place) to complete the project in a timely manner and adhere to all regulations; and
- The project must comply with federal overlay statutes.

Application is Complete

The application must have all required forms completed including all required attachments and all information must be correct.

Necessary and Reasonable Costs

All costs identified in the application must be realistic, given the nature and type of activity proposed. The CDBG Program may attempt to independently verify proposed costs from a variety of sources including: a) other staff within Department of Housing; b) other state agencies; c) federal agencies; d) CDBG entitlements in Arizona; e) private engineering, architectural or construction companies; f) other sources that the CDBG Program feels are appropriate. The information obtained by such inquiries is part of the public record.

Project Readiness

The Department of Housing will not fund projects with inherent barriers to start-up and completion within a timely manner. Applicants should consider a variety of factors that can impact timely implementation including ERR considerations (i.e. the need to have an archeological survey conducted); permitting; lack of responses to proposals and bids. Applicants should be prepared to initiate their projects immediately after the effective date of a contract. Contracts will not be entered into until the ERR is completed and any other prior to contract contingencies outlined in the Application Deficiency e-mail or letter have been addressed.

Applicants need to ensure that each activity is not speculative in nature. The CDBG Program defines “speculation” as a situation in which the completion of the project and thus documentation that the activity will meet a National Objective and provide benefit, is contingent upon funding other than that requested from the CDBG Program and this other funding has not been committed in the form of a Legally Binding Commitment (LBC). Thus, it can apply to any type of project; although it is more typically a challenge in housing and Economic Development (ED) projects. It is the responsibility of the applicant to ensure that its application meets the anti-speculation threshold.

Examples

Speculative activities would include:

- Housing. CDBG funds are requested to provide offsite improvements for a new affordable housing development. However, the developer has not secured the necessary private sector financing.
- Housing. CDBG funds are requested to acquire and renovate a multifamily housing project. However, there is no documentation that the interim or take out financing has been committed.
- Wastewater Improvements. CDBG funds are requested to acquire a piece of land for a secondary treatment facility and some distribution lines. However, the community has not secured funding for construction of the facility.
- Public Facility. CDBG funds are requested to acquire a parcel of land for a public health clinic. However, the municipality has not yet passed a bond issue to pay for the clinic construction.
- Public Facility. CDBG funds are requested to build a domestic violence shelter but the non-profit has no funds to operate and maintain the facility.

Requirements

In all instances, if there is no documentation of a commitment, the CDBG Program will determine that the activity did not meet the project readiness test. In some situations, if the CDBG Program determines that there is good faith and a great likelihood that the other funding will be secured shortly, even if there is no legally binding commitment for the other funds, the activity may be determined fundable. However, the contract will not be entered into until a firm commitment of the other funds is received. Applicant will have thirty (30) days to obtain a firm commitment after the date of the Funding Award Letter.

Benefit

Each activity must result in people receiving a “benefit” immediately after project completion. As a result, phased or multi-year projects are generally not eligible (i.e. those that require CDBG funds from a future program year to provide benefit or meet a National Objective). For example, the installation of a water line that does not connect to houses immediately or right after construction does not provide a benefit.

Recipient Capacity

Each grant applicant must have the capacity to complete the proposed activity in compliance with all Department of Housing requirements.

Capacity for timely implementation will be judged on the staffing structure of the applicant at the time of application. Existing staff (in house or contracted) must have the expertise to successfully complete the proposed activities. Secondly recipient capacity will be judged on the basis of the applicant's record on past and current CDBG contracts as demonstrated in CDBG Program files. Compliant implementation documents to include desk and on-site monitoring and audits. A variety of federal overlay statutes apply to the state CDBG program including: ERR, Davis Bacon, Section 3 and the URA. Thus, the applicant needs to understand the implications that each may have on proposed activities and accommodate these implications in funding estimates and project completion schedules.

The applicant's lack of documented capacity regarding timely or compliant implementation will likely result in Special Conditions being incorporated into the contract as a condition for funding approval. For example, funds may not be approved until prior contract monitoring issues have been resolved, an audit received or a significant amount of funds spent and progress made on current projects. Such Special Conditions will be negotiated with the applicant community and the COG, if applicable.

Compliance with Federal Overlay Statutes and Regulations

In preparing both RA and SSP applications, applicants need to bear in mind the impact that federal overlay statutes may have on the cost, timing and administration of proposed activities. These overlay statutes and regulations apply to the CDBG Program, although they are usually not stated in the CDBG law and may not be cited in the State CDBG Program regulations. However, they apply by virtue of the fact that Congress indicates that a specific law (and its implementing regulations) applies to "all federally funded programs".

Below is a list of the most complex of such overlays.

- Acquisition. All acquisition of land, which includes long term leases and permanent use easements, must meet the requirements of the Uniform Relocation and Real Property Acquisition Act. This requires documentation of various notices to the owner and appraisals (and review appraisals) in most instances.
- Relocation. All acquisition of land which is occupied by owners, tenants, businesses, farms or non-profits will likely require the payment of relocation benefits as well as notification(s) to the owners/tenants.
- Construction. The rehabilitation or construction of a structure and most public improvements where private contractors will be used will require the payment of Davis-Bacon wages as well as compliance with overtime pay and recordkeeping requirements, known as "federal labor standards compliance" or Davis Bacon and Related Acts (DBRA).
- Displacement. All applications, including the proposed demolition or conversion of housing occupied (or occupiable) by LM persons, requires the preparation of a detailed Residential Anti-Displacement and Relocation Assistance Plan describing the actions that the applicant will take to replace the lost housing stock.
- Environmental Review. For all projects, an Environmental Review Record is required prior to the obligation of any funds related to the overall project. The extent of the ERR will vary with the type and location of activity proposed. However, in some cases, the ERR can take up to six (6) months to complete.
- Procurement and Contracting. Any procurement or contracting related to a CDBG funded project, whether originally paid with local funds to be reimbursed with CDBG funds or to be paid with leverage funds, must comply with specific requirements documenting that the process was competitive, free of conflict of interest and non-discriminatory.
- Non-Discrimination. Although the applicant may not be proposing to use CDBG funds for any activities relating to accessibility or fair housing, it must be able to document that "the community" is compliant with both sets of laws and federal regulations (including Section 504), which apply to the community vs the specific activities.
- Financial Records and Audits. The applicant must be prepared to maintain financial records compliant with federal and state standards to include:
 - a. Documentation of the timely disbursement of CDBG funds; and
 - b. Adequate internal controls; separate account codes for CDBG funds; and
 - c. Backup documentation for all CDBG Program expenditures; and

d. Preparation of an audit compliant with the Single Audit Act of 1996.

These requirements will also apply to a “financial” Sub-recipient to which the grantee provides funds, and it will be the responsibility of the applicant/grantee to monitor the sub-recipient for such compliance.

- Certifications. Applicants will need to sign a fairly lengthy list of certifications. Compliance with these Certifications will be required.
- The major federal overlay laws and regulations applicable to the State CDBG program are listed below:
 - a. Labor. Davis Bacon Act; Contract Work Hours and Safety Standards Act; and Copeland Anti-Kickback Act.
 - b. Civil Rights. Title VI of the Civil Rights Act of 1964; Title VIII of the Civil Rights Act of 1968; the Fair Housing Act of 1988; Executive Order 11063 and 11246; Age Discrimination Act of 1975; Section 504 of the Rehabilitation Services Act of 1973; Fair Housing Act Amendments of 1988; Americans with Disabilities Act of 1990.
 - c. Section 3 of the Housing and Community Development Act of 1968 [12 U.S.C. 1701u and 24 CFR Part 135].
 - d. Environment. National Environmental Policy Act of 1969; National Historic Preservation Act of 1966; Executive Orders 11988 and 11990.
 - e. Acquisition/Relocation. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
 - f. Administration. OMB Circulars A-87, A-110, A-122, and A-133.

ADDITIONAL INFORMATION REQUESTS

Regional Account applications having more than three (3) deficiencies (missing support documentation, application errors, etc.) will be returned to the applicant as incomplete. Applicant will be provided with an Application Deficiency Letter and will be expected to review the returned application, correct all errors and insert missing support documentation. Applicants will typically be given thirty (30) days (more if justified by the type of information needed, not to exceed sixty (60) days) to correct/complete and resubmit their application to ADOH. Applicants are encouraged to contact their CD&R Specialist with questions. Should the applicant fail to resubmit a complete and correct application by the determined deadline provided in the deficiency letter, the funds will be reallocated to the State Special Projects account.

Applicants having three (3) or less deficiencies in their application will be notified by ADOH via email if additional information or support documentation is required. An example of the type of information that may be required is as follows:

- Clarification of proposed grant activities (i.e. a more complete narrative description).
- Clarification or documentation indicating compliance with a National Objective or public benefit test (i.e. a better justification of the Service Area).
- The basis for the cost components of an activity.
- Lack of documentation of compliance with citizen and public participation requirements.
- A response to an outstanding monitoring visit issue from an existing contract.
- A plan to increase spending on its current contracts.
- Evidence of capacity to implement project (i.e. CDBG experience, training, staff time allocated to project).

The Application Deficiency Letter will provide a timeline within which the applicant should complete the Environmental Review Record (ERR) process for their project based on the level of review required (Exempt, Categorically Excluded, Environmental Assessment, Environmental Impact Statement) for their project type. If the ERR is not completed within the timeline provided in the Deficiency Letter, the application may receive no further consideration for funding. In all cases, the applicant must have a completed ERR and an ADOH issued Authority to Use Grant Funds (E-13) or approval of Exempt project before the project will be considered for funding.

APPLICATION REVIEW TIMELINE

ADOH will make every attempt to review applications and to provide Funding Award Letters within sixty (60) days of receipt of a fully documented and eligible application.

ADOH will not allow UGLGs to change their project to a new activity once their original application submission for the Regional Account has been approved. If the UGLG does not go forward with the original awarded activity, funds will be returned to the CDBG SSP account. For example, Anytown AZ has submitted a Regional Account application for sewer improvements, received an award and is under contract for the project. Anytown has not begun work on the sewers and now wants to change their project activity to street light installation. ADOH will not allow this change.

SECTION 4. PROJECT DESIGN

PROJECT IDENTIFICATION

Local city, town and county governments have the authority to decide what projects to pursue and fund with CDBG funds. Each community will typically have many needs; therefore, it will be necessary to prioritize those needs to ensure the most pressing problems are addressed first. The involvement of departments of the local government, the general public and the low income community is integral to the prioritization process.

CONTRACT DURATION

The contract duration refers to the time a recipient has to complete a CDBG project. It begins on the date a CDBG contract is executed by ADOH and terminates on the ending date indicated in the contract.

The contract duration depends entirely upon the nature of the CDBG project. The purchase of a fire truck may require only four (4) months while the installation of new streets may require twenty-four (24) months. Public service projects generally extend for a twelve (12) month period. Each applicant must include a schedule of completion as part of the CDBG application through the tabbed Form 5 Project Timeline of the CDBG Application REV. 3-23-18 with actual dates for the start and completion of the various steps required to accomplish a successful project. Actual estimates from contractors or architects are the best source for determining the schedule of completion for construction projects.

Most CDBG projects are completed within twelve (12) to twenty-four (24) months. It is important for applicants to realize that the ability to implement projects in a timely manner will affect the local government's ability to apply for CDBG grants in future years due to capacity concerns. A final contract Schedule of Completion will be derived from the schedule of completion submitted by the applicant with the application. This contract Schedule of Completion will be used by ADOH to determine the performance and contract compliance of the grantee.

NUMBER OF ACTIVITIES AND GRANT AMOUNTS

There are no formal minimum or maximum grant amounts for the Regional Account. Since the ADOH CDBG program distributes CDBG funds on a non-competitive formula basis for the Regional Account, maximum grant amounts are often determined simply by the amount of funds available to a community. Recent decreases in federal CDBG allocations have reduced the funding amounts available to communities and therefore the number of projects that can be undertaken. ADOH will accept the submission of one (1) project application per individual community for the Regional Account during their funding cycle. ADOH will accept the submission of no more than three (3) project applications per county for the Regional Account during their funding cycle.

ADOH may grant a waiver to City and Town UGLGs (Counties excluded) if, through the public participation process, the need for a planning or public service activity in addition to another eligible CDBG activity is identified. In this case, ADOH may allow the City or Town UGLG to submit two (2) applications to the Regional Account funding round. A written Waiver Request and support documentation must be submitted to ADOH at least 45 days prior to the UGLG's Regional Account application submission deadline. ADOH will not consider waiver requests for any activity types other than a public service or planning grant.

If a waiver for a Planning Grant is approved, the UGLG must commit to implementation of the activity in the planning grant with their next awarded CDBG Regional or CDBG SSP Application. Therefore applicants should consider including this information in their public participation process.

Applicants with questions regarding the submission limitations should contact the ADOH CD&R Program Administrator for further information.

State Special Project (SSP) competitive application maximum grant amounts are announced through the Notice of Funds Available (NOFA) when released by ADOH. Applicants (both communities and counties) to the SSP competitive round are limited to one (1) application only.

Colonia Set Aside competitive application maximum grant amounts are announced through the Notice of Funds Available (NOFA) when released by ADOH. Eligible Certified Colonia Applicants (both communities and counties) to the Colonia Set Aside competitive round are limited to one (1) application only.

NEIGHBORHOOD REVITALIZATION STRATEGY (NRS)

Under HUD regulations, states may approve and provide guidelines for a local government's Neighborhood Revitalization Strategy (NRS). An NRS is not an application for CDBG funds. Rather, it is a written strategy intended to guide a community in addressing local needs. The NRS allows a more comprehensive approach to neighborhood revitalization. To encourage this approach, HUD has allowed for flexibility in the interpretation of and exemption from some requirements. Please note that an NRS is voluntary and does not impact the eligibility or approval of CDBG applications. It is however, a useful planning tool that the CDBG Program encourages in the hope that future applications will reflect elements of the NRS and thus help address the needs of a community.

Incentives

A community that adopts an ADOH approved NRS may take advantage of the following incentives.

Job Creation/Retention

Job creation or retention activities undertaken in compliance with an NRS will be considered as meeting area-wide LM benefit requirements. Thus, it is not necessary to track the income of persons that hold, apply for or accept such jobs.

Aggregation of Housing Units

Housing units assisted in compliance with an NRS are considered a single structure for purposes of meeting the housing LM national objective. Thus, all homes within an NRS area can be rehabilitated or provided with down payment assistance, regardless of the income of each specific family.

Public Service Cap

Public services implemented in compliance with an NRS by a non-profit entity are exempt from the public services cap. Thus, the applicant is not required to request a set-aside for such funds.

Process

A community must have a state approved NRS before it can submit a CDBG application that qualifies activities on the basis of the NRS. Communities are advised to submit an NRS three (3) to six (6) months prior to a CDBG application deadline. This allows for sufficient time to review the NRS and to resolve outstanding issues before an application is submitted.

CDBG Program Approval of an NRS

The CDBG Program will approve an NRS based on the degree to which it addresses the requirements listed below. Staff is always available to work with the community to resolve concerns so that the NRS is approved as soon as possible.

NRS Requirements

Each NRS must contain the following, as required by the HUD regulations:

Consultation

The grantee must consult with the area's stakeholders when developing an NRS. Consultation should include residents, business owners/operators, financial institutions, non-profit organizations and community groups that are in or serve the neighborhood. Thus, the NRS must include information about the consultation undertaken by the community and include the degree of local involvement in the strategy and design. If an advisory committee is formed, information must be provided that includes the persons by title who participated, the number of times the committee met and the minutes for each meeting along with other documents prepared for and distributed at the meetings; if public hearings were held, the number, a summary of the hearings and a list of those attending.

Boundaries

The boundaries of the area to which the strategy will apply must be provided in narrative form as well as identified on both a CDBG Program provided census map and an additional detail map, if necessary.

Rationale

A rationale for the area so identified must be provided. That is, the targeted approach necessary to implement an NRS requires that there be some critical mass of population density to be effective. Although neither HUD nor the Department of Housing have adopted a minimum or maximum population or size; the rationale must explain why a strategy can appropriately address the issues and be successfully implemented in that area. It must address at a minimum the issues of population size and composition in terms of age and geographic factors including the size of the area in terms of square miles and topography.

Demographic Criteria

Documentation that the area meets one (1) of the following criteria:

- It is primarily residential in character (at least sixty percent (60%) of the structures are residential) and at least seventy percent (70%) of the population is LM; it is a federally designated Empowerment Zone or Enterprise Community;
- All of the census tract numbering areas have at least a twenty percent (20%) poverty rate and at least ninety percent (90%) of them have at least a twenty-five percent (25%) poverty rate and the area is primarily residential.

Program Linkages

A discussion of other resources that may be used in the implementation of the NRS including:

- A Main Street Program;
- A REDI Program;
- Weatherization programs;
- HTF and LIHTC programs;
- Youthbuild and other HUD direct funded programs; and
- U.S.D.A. Rural Development funding.

Economic Conditions

An assessment of the economic conditions and opportunities in the area is required. This should address factors such as:

- The traffic flow patterns within and access to the area;
- The number and nature of the housing stock and general housing market conditions;
- The number and types of businesses including lending institutions;
- The number of persons in the labor force vs. the population of the area;
- The average number of years of education completed by adults;
- The number and types of current jobs and level of skills required for such;
- Existing educational and training resources including all public schools and job training programs;
- Health care services and facilities;
- Nonprofit organizations that are either located in or provide services within the area and the focus of each;
- The availability and location of any other public and non-private services that could impact on the community's need and ability for revitalization.

Although not each and every factor needs to be addressed in the NRS, the rationale must justify why the area selected has a potential for successful revitalization considering the factors noted above or related factors.

The CDBG Program anticipates that much of this data will be estimated and most will be based on conversations with persons knowledgeable about the community (i.e. public school administrators, health care practitioners, the Chamber of Commerce, the real estate community, COGs). Some may also be available from the State's Consolidated Plan, DES, local planning documents or other written sources.

Strategy Assessment

An assessment of the problems likely to be encountered in implementing the strategy and proposed solutions to each must be provided.

Timeline

A Timeline must be provided that includes dates by which specific actions will be undertaken and the dates by which specific results are expected.

Proposed Performance Measures

The NRS must indicate what the community proposes to achieve as a result of the development and implementation of the NRS. Results must be objective and quantifiable. Goals, “planned accomplishments” and “results” should be included. Reaching a goal may require numerous planned accomplishments and should be achieved or at least measurable within thirty-six (36) months of initiation. These must include but are not limited to: the number of meaningful jobs to be created for the unemployed and LM residents of the area and specific activities to promote substantial revitalization of the area. As a result, any community with an approved NRS may be required to submit an annual report indicating progress in achieving these goals.

A “planned accomplishment” is normally the action taken to achieve the overall goal. A “result” is the impact of the planned accomplishment (individually or in combination with other actions) on residents of the NRS area and the impact on the entire community.

Example:

One (1) of the goals of the NRS is: to reduce unemployment by ten percent (10%).

The strategy to achieve that goal includes the following planned accomplishments with specific proposed actions for each.

- Create a building trade vocational program (which may include the following):
 - a. Apply for HOME funds for materials to use in rehabilitating homes;
 - b. Contract with non-profit to administer program;
 - c. Apply for CDBG funds for instructor salary and program administration.
- Provide affordable child care (which may include the following):
 - a. Apply for CDBG funds to build or acquire and rehab a suitable child care facility;
 - b. Apply for DES funding for the program;
 - c. Contact COG regarding the possibility of a Headstart program.
- Provide financing to small businesses (which may include the following):
 - a. Apply for USDA RD funding to establish a Revolving Loan Fund.
- Widen Main Street and construct sidewalks to attract new businesses (which may include the following):
 - a. Work with Main Street Program on marketing plan for downtown area;
 - b. Apply for CDBG funds for street improvements;
 - c. Apply for SHPO grant to restore historic Cinema Tropicana Theatre building;
 - d. Contact arts and theater groups to arrange for downtown shows.

Result:

Within twenty-eight (28) months, three (3) new small businesses opened in the downtown area, employing approximately six (6) persons. One (1) Main Street business expanded due to the increased customer traffic and employed an additional three (3) persons full-time and two (2) persons part-time. Eight (8) homes were rehabilitated and six (6) people trained in basic construction practices. Three (3) of those are now employed by a local contractor. The childcare program serves twenty-five (25) families and now has a waiting list. Unemployment has been reduced by eleven percent (11%).

NRS Requirements Checklist



NRS REQUIREMENTS CHECKLIST

Applicants requesting approval of a Neighborhood Revitalization Strategy (NRS) should make sure their submission includes all items from the following checklist. Insert page reference for each checklist item. The last column regarding whether the item is included (yes or no) is for ADOH use only. *Do not complete the last column.*

NRS CHECKLIST/REQUIREMENTS			
Item No.	Description	Page Location	ADOH Use Only Included in submission (Yes or No)
1.	Applicant name and address		Yes <input type="checkbox"/> No <input type="checkbox"/>
2.	Name of the NRS area		Yes <input type="checkbox"/> No <input type="checkbox"/>
3.	Name, phone number, fax and e-mail address for a Contact Person who answers questions about the NRS		Yes <input type="checkbox"/> No <input type="checkbox"/>
4.	A signature by the chief elected official (mayor or chair of the board) indicating that he/she is requesting approval of the strategy which contains accurate information to the best of his/her knowledge		Yes <input type="checkbox"/> No <input type="checkbox"/>
5.	An NRS Table of Contents		Yes <input type="checkbox"/> No <input type="checkbox"/>
6.	Maps: <ul style="list-style-type: none"> • NRS Identified on a CDBG Program Census Map • NRS identified on a different map in which specific boundaries can be easily identified • Location of major services and facilities and access to such in the NRS area NOTE: Map boundaries MUST coincide with those described in narrative form.		Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
7.	A narrative description of the NRS area		Yes <input type="checkbox"/> No <input type="checkbox"/>
8.	A narrative rationale for the selection of the NRS area		Yes <input type="checkbox"/> No <input type="checkbox"/>
9.	The demographic characteristics of the NRS area and the basis for such, i.e. documentation in the form of census data, a special survey, poverty data, EZ/EC designation		Yes <input type="checkbox"/> No <input type="checkbox"/>
10.	A narrative description of the proposed program linkages, how each relates to the NRS and its implementation, and whether the area is eligible for such funds or services.		Yes <input type="checkbox"/> No <input type="checkbox"/>
11.	A narrative assessment of economic conditions		Yes <input type="checkbox"/> No <input type="checkbox"/>
12.	A narrative assessment of problems likely to be encountered in implementing the strategy and proposed solutions to each		Yes <input type="checkbox"/> No <input type="checkbox"/>
13.	A narrative description of the consultation process undertaken with reference to appropriate backup materials.		Yes <input type="checkbox"/> No <input type="checkbox"/>
14.	Proposed performance measures: goals, planned accomplishments and results		Yes <input type="checkbox"/> No <input type="checkbox"/>
15.	A timeline for actions taken: proposed applications for funds, proposed actions from those funding sources, and results		Yes <input type="checkbox"/> No <input type="checkbox"/>

Neighborhood Revitalization Strategy (NRS) Report Form



NEIGHBORHOOD REVITALIZATION STRATEGY (NRS) STATUS REPORT

Complete the items below and on the attached form to describe the Neighborhood's progress in the implementation of the Strategy during the prior year. An example is included for reference.

Grantee: _____

CDBG Contract No: _____

NRS Area Name: _____

Report Prepared By: _____

For Year: _____

Date Prepared: _____

1. Status of the Local Advisory Committee:
[insert narrative explanation on the status of the Local Advisory Committee]

2. Status of Program Linkages to include funding applications submitted:
[insert narrative explanation on Program Linkages and any applications submitted for other funding sources]

3. Problems/Barriers encountered:
[insert narrative explanation on any problems or barriers experienced]



**NEIGHBORHOOD REVITALIZATION STRATEGY (NRS)
STATUS REPORT**

Priority	Goals/Strategies	Status	Start	Finish

ADMINISTRATION AND PLANNING

CDBG funds may be used to pay reasonable program administrative costs related to the planning and execution of eligible activities funded in whole or in part with State CDBG. Activities eligible under this category include citizen participation costs, fair housing activities, staff and overhead costs for project delivery and grant administration.

A maximum of eighteen percent (18%) of the aggregate total of all activities for which funding is requested can be charged to general administration and to eligible planning activities. If an UGLG is implementing multiple activities, ADOH will enter into individual contracts for each activity; and each of the contracts will contain the general administration funds appropriate for and specific to that activity.

ADOH encourages all UGLGs to apply for a reasonable and appropriate amount of administrative funding based on the activity type through completion of the application budget. ADOH also encourages UGLGs to estimate a sufficient dollar amount for TAAP fees to allow the flexibility of increasing the level of assistance from the COG for both compiling the application and administering the project. Administrative funding will be awarded through the application and pre-award assessment process.

UGLGs must submit annual audits to ADOH for every fiscal year in which they expend CDBG funds. This assists the ADOH in determining whether financial management technical assistance and guidance should be offered to the community assisting it to implement a compliant CDBG project and avoiding future audit concerns.

Administration funds may be used by local governments and sub-recipients to pay for the proportionate share of an annual audit attributable to the expenditure of CDBG funds as documented by a written cost allocation plan.

PLANNING ONLY GRANT (PLG), THE SET-ASIDE AND FORMS

Grants that are limited to planning (and may include administration) activities are known as Planning Only Grants (PLGs) and may be submitted to either the RA or the SSP Accounts. Because of the twenty percent (20%) federal statutory limitation on planning and administration activities, communities wishing to apply for PLGs must request ADOH approval prior to application submission.

The PLG request must indicate the maximum amount of funds to be requested and the type of planning activity (i.e. general plan, housing plan, waste water study, etc.). Should the statewide twenty percent (20%) limitation be reached, these PLG requests if determined fundable, will be honored on a first received, first-funded basis.

Each application must meet one (1) of the CDBG National Objectives. Applicants should not use PLGs for activities including or equivalent to engineering/design, since this is part of the specific eligible activity itself such as street, water or sewer system improvement.

PUBLIC SERVICES SET-ASIDE

The CDBG statute requires that the state expend no more than fifteen percent (15%) of its annual allocation plus any Program Income (PI) on Public Services (PS) activities. NRS activities are not included in the fifteen percent (15%) maximum.

To ensure that this limitation is not exceeded, applicants must submit a written request to ADOH prior to the second public hearing with a maximum amount of funds to be requested for any Public Services activities they propose to submit to either the RA or SSP. ADOH will honor such requests for the funding of PS activities on a first-received, first-funded basis, should the statewide limitation be reached.

“APPROPRIATE” DETERMINATIONS FOR NEW HOUSING ACTIVITIES

Applicability

Applicants considering submitting an application for CDBG funds to provide assistance to a for- or non-profit entity for a new housing construction project need to obtain an “appropriate” determination from the CDBG Program. Assistance includes: a grant, loan, or deferred payment loan.

Impact on the Eligibility of Activities

The CDBG statute requires that certain types of actions proposed by local governments must be determined “appropriate” in order to be considered eligible. For example:

- A grant to a non-profit organization to assist in the development of housing is not necessarily an eligible activity; rather the grant must be determined “appropriate” before it becomes an eligible activity.

Criteria

Some new housing construction activities must comply with a two (2) part requirement, which is that the activity will meet the mandatory public benefit test and the financial guidelines. These guidelines are discussed below:

- Each activity requiring an “appropriate” determination will be evaluated on its own merits using standard underwriting procedures as guidance.
- Project costs are reasonable. The costs associated with the activity are comparable to costs for the geographic area and type of activity.
- Financial support has been committed from non-federal sources in addition to CDBG resources. Additional public (state or local) or private finances have been committed to the activity. An activity in which only CDBG funds will be used will generally not be considered “appropriate.”
- The amount of CDBG funds being requested will not substantially reduce the amount of non-federal funding support for the project. The CDBG resources requested should encourage or leverage other non-federal funds (i.e. CDBG should supplement rather than supplant other resources).
- The proposed activity is financially feasible.
- CDBG funds are disbursed on a pro-rata basis with other project resources to the extent practical.

Documentation

For the criteria above, the applicant must provide written documentation before the application is submitted, even if in draft form. This allows the ADOH staff an opportunity to review the documents and provide technical assistance to ensure that the application is fundable when submitted.

The CDBG application forms request some but not necessarily all of the information to address each of the criteria above. Thus, applicants are encouraged to make contact with ADOH as soon as a potential activity requiring an appropriate determination is identified for possible CDBG funding.

CDBG PRE-AWARD OBLIGATIONS

Applicants for CDBG funds may incur costs or obligate funds for a variety of proposed activities before receiving a CDBG award letter or an executed contract. However, all applicants that choose to incur pre-award obligations must realize that they do so at their own financial risk. No funds can be disbursed until a contract is effective. Further, all pre-award obligations will be reimbursed only: a) IF a contract is awarded to an UGLG; and b) IF the UGLG can document that the obligation complied with all regulations governing the implementation of CDBG projects. Those include:

- Procurement procedures for appraisals, engineering and architectural services, etc. including administrative entities (but excluding the COGs);
- Environmental Review Record requirements;
- Applicable CDBG regulations governing acquisition, relocation and demolition;
- Labor standards; and
- The maintenance of appropriate backup documentation including time records, invoices and bills.

Applicants do not need to obtain written approval from ADOH for pre-award obligations relating to COG TAAP activities or local government application preparation activities (i.e. staff time spent in conducting a special survey or preparing public notices or public notice publication costs) which are considered approved by virtue of this section.

As discussed in the ADOH ERR Handbook, automatically exempt activities or components of activities such as administration and engineering do not require a formal Authority to Release Funds from ADOH. However, applicants shall not incur costs for the other activities or components of activities including the acquisition of land (which includes right of ways [ROWS]) and the purchase of materials or equipment prior to obtaining a formal ADOH Program Authority to Release Funds.

Applicants may procure bids for construction activities pre-award. However, the community must request a wage rate determination and obtain ADOH approval of the bid. If costs for any construction will be incurred pre-award, the Environmental Review Record for the activity must be completed and approved by the ADOH before costs are incurred.

SECTION 5. PUBLIC PARTICIPATION REQUIREMENTS

CITIZEN PARTICIPATION PLAN

The state is required to adopt a Citizen Participation Plan pursuant to 24 CFR 91.115 as part of its Consolidated Plan. The Citizen Participation Plan defines how the state will involve citizens in the Consolidated Planning process as well as how local governments receiving CDBG funds from the state will comply with the citizen participation requirements of 24 CFR 570.486. If an applicant is not compliant with the state's Citizen Participation Plan, it cannot receive CDBG funds. A summary of these requirements appears below, followed by a detailed description of each element.

Minimum Requirements

The following actions are the minimum that local governments must take prior to submitting a CDBG application to the state. A greater amount of public participation can be undertaken at the local government's discretion.

Public Hearings

The purpose of public hearings is to provide opportunity for citizens to comment on the community/county's proposed use of CDBG funds. Communities/Counties must hold at least two (2) public hearings prior to submitting an application to the Department of Housing, one (1) at the beginning of the public participation process and one (1) at the end. Public hearings must be advertised in a newspaper of general circulation at least sixteen (16) days prior to Public Hearing. The first public hearing is a non-City Council or non-Board of Supervisor meeting for the purpose of discussing the types of activities that the community wants to undertake with upcoming CDBG funds. The second hearing is open to the public but is held at a City Council or Board of Supervisor meeting during which the local governing body selects (through a resolution) which projects will be forwarded to the state in a CDBG application. Public hearings must be held at times and locations convenient to potential or actual beneficiaries. Accommodations must be made for persons with disabilities. Public hearings shall be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate.

First Public Hearing Agenda Items:

The following agenda items must be covered between the two (2) hearings, but is recommended to be covered in the first hearing:

- Discussion of CDBG National Objectives and the types of activities that can be funded by CDBG; and
- Announcement of the amount of CDBG funds expected to be available in the Regional Account, State Special Projects Account and the Colonias Set Aside; and
- Discussion of the estimated amount of funds that will be used to benefit low-moderate income persons (as opposed to being Slum Blight or Urgent Need activities); and
- Discussion and citizen input regarding housing and community development needs in the community; and
- Discussion and citizen input regarding possible projects to be funded with CDBG funds; and
- Discussion of proposed CDBG activities likely to result in displacement of persons, families, businesses, non-profit organizations and farms and the local government's intention to minimize displacement pursuant to the local government's Anti-Displacement Policy; and
- Review of past performance of CDBG funded projects.

Second Public Hearing Agenda Items:

The second hearing is part of a regular meeting of the local governing body (City Council or Board of Supervisors) during which a Resolution is adopted determining which project(s) will be forwarded to the state in an application for CDBG funding. This hearing must be open to the public and reflect in the minutes that a specific time was allowed for citizens to comment on the proposed projects to be funded with CDBG. At the same meeting a Resolution can be adopted approving an Anti-Displacement Policy (if not formerly adopted). The published and disseminated notices must allow the general public a period of at least fifteen (15) days to review and comment on proposed CDBG projects.

Additional hearings can be held at the discretion of the local government if more public input is needed or if multiple meetings are necessary to gain local governing body approval of CDBG project concepts.

Newspaper Display Advertisements

Publish display advertisements in a local or regional newspaper of general circulation. The advertisement **MUST** be published at least sixteen (16) days prior to the public hearings, allowing a fifteen (15) day period between the advertisement and the public hearing.

First Public Hearing Newspaper Display Notice P-2

The first public hearing advertisement should include the following:

- Date, time and location of the public hearing; and
- Name, title and contact information for contact person for general assistance and for grievances; and
- A description of what CDBG funds are and what they can be used for; and
- An indication that public comment will be accepted regarding the use of CDBG funds; and
- Persons with disabilities or special language needs will be accommodated upon request; and
- Technical assistance will be provided to groups representing low and moderate income persons upon request.

Second Public Hearing Newspaper Display Notice P-4

The second public hearing advertisement should include the following:

- Date, time and location of the public hearing; and
- Name, title and contact information for contact person for general assistance and for grievances; and
- A description of what CDBG funds are and what they can be used for; and
- Potential projects have been identified and will be selected for application to the state by the local governing body through a public hearing during which public comment will be accepted; and
- Project proposals are available to the general public for review; and
- Where projects can be reviewed; and
- Persons with disabilities or special language needs will be accommodated upon request; and
- Technical assistance will be provided to groups representing low and moderate income persons upon request.

Flyers, Bulletins and Information Notices

Prepare and distribute Flyers, Bulletins or Informational Notices to neighborhoods and service centers and other places where low-income and minority populations are predominant. Post in at least three (3) locations. The flyers, bulletins or information notices **MUST** be posted at least sixteen (16) days prior to the public hearings, allowing a fifteen (15) day period between the posting and the public hearing.

Provide Technical Assistance

The applicant must provide technical assistance to low and moderate-income persons or persons representative of groups of such low-and moderate-income persons requesting help. All requests for technical assistance and the community's response to such must be documented and filed in the public participation section of the "Application, Contract and Closeout File."

At a minimum, the community must provide each person requesting technical assistance with basic information about CDBG. Further, if the person wants to propose a project or activity at the first public hearing, the community must offer to prepare or help the person prepare a brief (one (1) page) summary.

Application Amendments

Application Amendments are only allowed prior to award and execution of a contract. The following types of changes constitute an amendment to an application and will require the applicant to obtain approval of the local governing body and adhere to the requirements for the second public hearing:

- The purpose of the activity changes.
- The location of the activity changes.
- An activity is added, deleted or altered by fifty-percent (50%) or such that it becomes a different activity.
- The beneficiary of an activity changes.
- Funds are moved from one (1) activity to another changing either activity amount by more than fifty-percent (50%) at one (1) time or cumulatively through several changes.

Process:

The process for application amendments is as follows:

- Publish and post a Display Notice P-6. The publications and postings **MUST** be done at least sixteen (16) days prior to the public hearings, allowing a fifteen (15) day period between the advertisement/postings and the public hearing.
- Obtain approval of the change in a public hearing of the local governing body (City Council Board of Supervisors) through which a resolution is adopted.

Amendment Public Hearing Newspaper Display Notice P-6

The amendment public hearing advertisement must include *all* of the following:

- Date, time and location of the public hearing;
- Name, title and contact information for contact person for general assistance and for grievances;
- A description of what CDBG funds are and what they can be used for;
- A description of the proposed amendments to be discussed at the public hearing during which public comment will be accepted;
- Proposed amendments are available to the general public for review;

- Where amendments can be reviewed;
- Persons with disabilities or special language needs will be accommodated upon request;
- Technical assistance will be provided to groups representing low and moderate income persons upon request.

Grievance Procedures

Applicants are required to have a grievance policy/procedure in place prior to the initiation of the public participation process. The applicant must:

- Designate a contact person to review any complaints or grievances;
- Designate the final review authority for the disposition of the grievance or complaint; and
- Establish procedures (see below) to ensure a response to a written complaint within fifteen (15) days of receipt, if practicable; or to define another timeline with a rationale for such.

Recipients must provide potential complainants with a copy of its grievance procedure. Recipients must provide assistance in accessing, understanding and using the grievance procedure to persons requesting such in compliance with 504/ADA requirements and those pertaining to meeting the needs of non-or limited English speaking persons. Communities are advised to ensure that they have written procedures, adopted in compliance with local requirements, regarding the complaint/grievance process. The CDBG Program doesn't need to approve these procedures. However, if a complaint is filed, the Department of Housing may monitor the grantee to ensure that it had and followed its own procedures.

These procedures should address, at a minimum, the following items:

- Whether complaints must be submitted in writing or may be verbal;
- How the community will provide assistance in the preparation of the complaint whether written or verbal (which will be necessary to comply with requirements relating to 504/ADA and for those who are limited or non-English speaking);
- Whether complainants will be allowed to ask for a hearing after receiving an initial written determination; if so, how much time will be allowed to request such a hearing (i.e. the maximum number of days between the receipt of the request and the hearing);
- The persons (by title) who will be allowed to participate in the hearing on behalf of the community; the persons (by title or category) who the complainant will be allowed to bring to the hearing (i.e. an attorney);
- Whether the hearing will be taped or video recorded or whether there will be a written record;
- Whether the written record will be verbatim or in the form of "minutes/notes;"
- The number of days after the hearing that the written record will be made available;
- Whether the record (in any form) will be provided free or at cost to the complainant.

PROPOSED PROJECTS FOR PUBLIC COMMENT

Prior to publishing and disseminating notices for the final public hearing the community must have a proposed project concept available for the public to review. At a minimum the project concept must have a preliminary budget and a detailed description of the project, with maps and information about its intended beneficiaries.

PLANNING

Prior to publishing and disseminating notices for the final public hearing preliminary planning should be completed and funding commitments from non-CDBG sources should be secured. Preliminary planning includes special surveys, preliminary environmental reviews, preliminary engineering estimates, and draft agreements with non-profits entities. Letters of commitments from banks and other organizations should be signed.

Example:

At the first public hearing, the public works director might state that some streets in Neighborhood A are still not paved and this might be a good CDBG project. Also the director of the domestic violence center might state that the existing facility is old and deteriorated and there appears to be a need for another facility or an expansion of the existing facility. However, before forwarding either project concept to the local governing body for approval the community should take the following actions to ensure the project is viable.

Streets

- Conduct a special survey to determine whether the area is LM and the number of persons to be served
- Determine whether the area lies in a floodplain (which could affect the cost of the project)
- Obtain a preliminary cost estimate from the public works director or city engineer
- Determine if engineering will be in house or procured.
- Determine whether city crews and equipment will undertake the project or if the project will be contracted out

Domestic Violence Center

- Obtain information about the number of clients and substantiate the need for expansion
- Determine if the current facility is structurally sound, historically significant and has lead paint, all of which could affect the cost of rehabilitation and expansion
- Determine whether there is appropriately zoned land available with all utilities if a new facility is to be constructed
- Obtain rough costs estimates of rehabilitation and new construction, to include the type of construction (i.e. modular vs. stick built)
- Determine whether the non-profit that operates the center is sectarian and requires any sectarian activities by those using it (i.e. does it have religious symbols on the walls, does it conduct religious services in the facility and require attendance by the clients).
- Determine whether the non-profit has the resources and capacity to continue to operate the shelter after it is rehabilitated by reviewing the entity's articles of incorporation and by-laws, most recent audit, financial statements, and board list.

MEETING THE NEEDS OF NON- AND LIMITED-ENGLISH SPEAKING PERSONS

Where twenty-five percent (25%) or more of the applicant's population is identified in the Census as non- or Limited-English speaking, publications and postings are required in the other appropriate language(s). This can be done via a display ad in a non-English language newspaper and/or publication in an English language newspaper in both English and another language(s); and distribution of the public information documents in the same language.

Further, the applicant should be prepared to ensure that the needs of non-English speaking residents will be met at the public hearings through interpreters and materials translated into appropriate other languages, where a significant number can be reasonably expected to participate. The burden of proof is on the applicant that the number of such persons does NOT exceed twenty-five percent (25%) of the population. CDBG recommends that it be addressed in the local citizen participation plan.

PUBLIC ACCESS TO INFORMATION AND RECORDS

Anyone requesting information about the publicized agenda items must be provided such information and allowed access to related records. Although the local government may determine the time, place and manner of such access, it must be reasonable and there cannot be fees that would prohibit such access (i.e. excessive copying charges) especially for low and moderate-income persons.

PUBLIC PARTICIPATION DOCUMENTATION

All public participation documentation is to be maintained by the applicant in its public participation section of the CDBG Application, Contract and Closeout File. Such documents include but are not limited to those listed below. The first four Bulleted items are to be submitted along with the application.

- Verification of publication by one (1) of the following three (3) methods:
 - A publisher's affidavit with a copy of the newspaper display ad; or
 - A page from the actual newspaper with the display ad, including the name of the newspaper and the published date (a cut and pasted page is not acceptable); or
 - A copy of the electronic file from the newspaper that includes the full page of the paper with the display ad, date of publication and name of paper.
- Copies of public information documents distributed along with (as applicable) the addresses to which they were mailed and dates mailed or the posting locations and dates.
- Meeting/hearing agendas and minutes for both public hearings.
- A sign in sheet of hearing attendees from the first public hearing.
- A bill, but only if it very clearly identifies the ad by name, indicates the type of ad, and the date of publication.
- Written comments submitted at the hearings or regarding proposed application(s)/activities and responses to such by the applicant.
- Written documentation of all actions associated with the filing and disposition of complaints/grievances.
- Requests for and responses to technical assistance. If none is requested, this should be noted in the file.
- Requests for disability accommodations and how such were addressed. If none are requested, this should be noted in the file.

CITIZEN AND PUBLIC PARTICIPATION CERTIFICATION

As part of the application, the chief elected official must sign and submit a certification of compliance with the State of Arizona Citizen Participation Plan. The applicant's commitment to abide by the State Citizen Participation Plan is incorporated into the applicant certifications.

COMPLIANCE MONITORING BY THE ARIZONA DEPARTMENT OF HOUSING

ADOH staff will monitor applicants for compliance with the State Citizen Participation Plan. If documents do not verify compliance with the plan or are not maintained or available for public review by the grantee, the Department of Housing will take appropriate actions depending on the severity of the infraction.

PUBLIC NOTICES

P-2 Display AD - First Public Hearing

P2 – DISPLAY AD – FIRST PUBLIC HEARING

INSERT Name of City/Town/County
Public Hearing Regarding Use of CDBG Funds

The Town/City/County is expected to receive approximately \$ in FY federal CDBG funds from the Arizona Department of Housing Regional Account (RA). The Town/City/County also intends to apply for \$ in FY CDBG funds from the State special projects (SSP) account. CDBG funds must be used to benefit low-income persons and areas, alleviate slum and blight or address urgent need. A public hearing will be held at time on date at location to gather citizen input on the use of the CDBG funds. Examples of possible uses include the following:

- 1) Public infrastructure (e.g., water, wastewater, street improvements);
- 2) Community facilities (e.g., parks, health clinics, libraries, senior or youth centers);
- 3) Housing (e.g., owner-occupied or multi-family rehab, utility connections on private property, new housing constructed by a non-profit);
- 4) Public services (e.g., paying the salary of an additional staff person to expand a Head Start program, purchasing a van to transport persons with disabilities, equipment and rent to start a new job training program); and
- 5) Economic development (e.g., a loan to a business for job creation, micro-enterprise development, acquisition of land for an existing business expansion).

For more information about the hearing, grievances, or the CDBG program; or to receive assistance in formulating prospective project ideas for presentation at the hearing contact the following:

Name, Title: [Click here to enter text.](#)

Organization: [Click here to enter text.](#)

Address: [Click here to enter text.](#)

City, State, Zip: [Click here to enter text.](#)

Telephone: [Click here to enter text.](#)

Fax: [Click here to enter text.](#)

TTY: [Click here to enter text.](#)

Persons with disabilities who require special accommodations may contact [name]at the above location at least 48 hours before the hearing.

P-4 Display AD - Second Public Hearing (refer to Sample P-4 for proper wording of potential project descriptions)**P-4 DISPLAY AD – SECOND PUBLIC HEARING**

City/Town/County
Public Hearing Regarding Use of CDBG Funds

The Town/City/County is expected to receive approximately \$ in FY federal CDBG funds from the Arizona Department of Housing Regional Account (RA). The Town/City/County also intends to apply for \$ in FY CDBG funds from the State special projects (SSP) account. CDBG funds must be used to benefit low-income persons and areas, alleviate slum and blight or address urgent need. Based on citizen input as well as local and state planning objectives several potential projects have been selected to be forwarded to the State of Arizona with a request for funding. A public hearing will be held at the regular City Council/County Board of Supervisors meeting at time on date at location to discuss the potential projects. It is expected that the City/Town Council/County Board of Supervisors will select the final projects at this hearing and adopt applicable resolutions. The potential CDBG projects are named and described as follows:

1. Click here to enter text.
2. Click here to enter text.
3. Click here to enter text.

To review project proposals, file grievances or learn more about the CDBG program contact the following:

Name, Title: Click here to enter text.
 Organization: Click here to enter text.
 Address: Click here to enter text.
 City, State, Zip: Click here to enter text.
 Telephone: Click here to enter text.
 Fax: Click here to enter text.
 TTY: Click here to enter text.

Persons with disabilities who require special accommodations may contact [name]at the above location at least 48 hours before the hearing.

SAMPLE P-4 Display AD - Second Public Hearing**P-4 DISPLAY AD – SECOND PUBLIC HEARING - SAMPLE****Mytown Arizona
Public Hearing Regarding Use of CDBG Funds**

The City of Mytown is expected to receive approximately \$200,000.00 in FY2013 federal CDBG funds from the Arizona Department of Housing Regional Account (RA). The City of Mytown also intends to apply for \$300,000.00 in FY2013 CDBG funds from the State special projects (SSP) account. CDBG funds must be used to benefit low-income persons and areas, alleviate slum and blight or address urgent need. Based on citizen input as well as local and state planning objectives several potential projects have been selected to be forwarded to the State of Arizona with a request for funding. A public hearing will be held at the regular City Council meeting at 7:00p.m. on March 15th, 2013 at the City of Mytown Council Chambers to discuss the potential projects. It is expected that the City Council will select the final project at this hearing and adopt applicable resolutions. The potential CDBG projects are named and described as follows:

1. West Main Street Improvements: \$150,000 for new curb, gutter and asphalt replacement on West Main Street between Idaknow Rd. and Guesswho Rd. Will serve residential area consisting of 24 housing units and approximately 75 persons, 54 % of whom are below 50% of Area Median Income.
2. Housing Rehabilitation Program: \$300,000 for housing rehabilitation for approximately 6 owner occupied housing units whose owners are low income Senior Citizens and are at or below 50% of the area median income.
3. Community Center Improvements:\$50,000 to install fire suppression sprinklers in all rooms and restrooms located at the Mytown Community Center serving all of the residents of the City of Mytown which is 65% at or below 80% of Area Median Income.

To review project proposals, file grievances or learn more about the CDBG program contact the following:

Susie Expert, CDBG Grants Coordinator
City of Mytown
1 E. Main Street
Mytown, Arizona 89999
Telephone: (928)111-2222
Fax: (928)111-2223
TTY: (928)111-2225

Persons with disabilities who require special accommodations may contact Susie Expert at the above location at least 48 hours before the hearing.

P-6 Display AD - Amendments to Projects

P-6 DISPLAY AD – AMENDMENTS TO PROJECTS

City/Town/County Public Hearing Regarding Use of CDBG Funds

The Town/City/County is expected to receive approximately \$ in FY federal CDBG funds from the Arizona Department of Housing Regional Account (RA). The Town/City/County also intends to apply for \$ in FY CDBG funds from the State special projects (SSP) account. CDBG funds must be used to benefit low-income persons and areas, alleviate slum and blight or address urgent need. Projects were selected for funding with CDBG funds at the City Council/County Board of Supervisors meeting on date. Amendments are proposed to the projects. A public hearing will be held at the regular City Council/County Board of Supervisors meeting at time on date at location to approve the amendments and adopt applicable resolutions. The proposed amendments are named and described as follows:

1. Click here to enter text.
2. Click here to enter text.
3. Click here to enter text.

To review project proposals, file grievances or learn more about the CDBG program contact the following:

Name, Title: Click here to enter text.
 Organization: Click here to enter text.
 Address: Click here to enter text.
 City, State, Zip: Click here to enter text.
 Telephone: Click here to enter text.
 Fax: Click here to enter text.
 TTY: Click here to enter text.

Persons with disabilities who require special accommodations may contact [name]at the above location at least 48 hours before the hearing.

Certificate of Postings/Distribution

This Certificate must be submitted to ADOH with the P-2, P-4, and P-6 (if applicable) Display Ads.

CERTIFICATE OF POSTINGS / DISTRIBUTION

I, [name], certify that on this [number day]day of [month], 20[year], I posted/distributed, a Notice of Public Hearing scheduled for [date of hearing] at:

[location of hearing]

The hearing concerns the proposed use of CDBG funds:

[ATTACH A LIST OF THE LOCATIONS OF POSTING/DISTRIBUTION]

Signature

Date

Name

Title

Community Development Block Grant Needs Identification Form

This form can be used to assist the applicant with obtaining potential CDBG projects from their respective community or county. This is a sample form. Applicants may require other information during the needs identification process of public participation.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
NEEDS IDENTIFICATION FORM

1. **Name:** Click here to enter text.
2. **Address:** Click here to enter text.
3. **Phone:** Click here to enter text.
4. **Group, agency or organization that you represent:** Click here to enter text.
5. **Briefly describe the community development or housing need that you have identified. Please include information such as how the need was identified, location, how long the problem has been present.**
Click here to enter text.
6. **Describe the project or program that you feel would meet the identified need.**
Click here to enter text.
7. **Describe who would benefit from this project or program, about how many people would benefit and the basis for this information.**
Click here to enter text.
8. **Indicate the approximate cost of this project or program, and the basis for this estimate.**
Click here to enter text.

PLEASE RETURN TO:

BY:

Signature

Date

SECTION 6. DISTRIBUTION OF CDBG FUNDS

OVERVIEW

The State is required to set aside ten percent (10%) of its total annual allocation for Colonias projects. Colonias Set Aside funds are awarded competitively. Further information on the Colonias Set Aside can be found in the Colonias distribution section of this Handbook.

Additionally, the State retains two percent (2%) plus \$100,000 of its total allocation for State Administrative costs and one percent (1%) is retained for Technical Assistance activities. Together these are known as State Retention.

The CDBG Regional Account (RA) consists of eighty-five percent (85%) of the balance of the State of Arizona allocation from HUD after State Retention of and the ten percent (10%) Colonia Set Aside. The remaining fifteen percent (15%) of the balance makes up the State Special Projects Account (SSP) which is awarded competitively. The RA is distributed on a non-competitive basis to all non-metropolitan cities, towns and counties in Arizona. The method by which the funds are distributed is determined by the State of Arizona working in conjunction with each regional Council of Government. Each COG develops a Method of Distribution (MOD) and forwards the MOD to ADOH for approval. The MOD determines which communities will receive funding each year and how much will be received. Some regions take turns getting funded (forgoing funding one (1) year for higher amounts the next year) while others distribute the funds evenly every year. At the time of application each community's CDBG application amount must equal the allocation amount. The applications are routed through the COG to ADOH. ADOH will attempt to review each application submitted within ninety (90) days of receipt. ADOH will make the final award determinations after all application deficiencies are satisfied.

ACCOUNT FUNDING LEVELS

ADOH will announce CDBG funding levels by the second quarter of each year for the Regional Account by COG, the State Special Projects Account and Colonias Set Aside by the totals available for the state.

REGIONAL ACCOUNTS (RA)

Methods of Distribution

ADOH has the final authority to determine the Method of Distribution (MOD) for the state's allocation of CDBG funds. ADOH's final MOD will be included in the Annual Update of the Consolidated Plan, which is subject to a public participation process.

Distribution Methodology

All distribution of state CDBG Regional Account funds is to be accomplished through an entitlement system. Every three (3) years the COG will recommend a MOD to ADOH for the communities within the respective region. Each MOD must contain a multi-year schedule that indicates how CDBG allocations are to be distributed such that all eligible communities within each respective COG region will receive funding. The multi-year schedule should include the funding years that each community in the region will receive funds and estimate the amount to be available. This will allow each community to plan its CDBG projects in advance. Deviations from

rotation schedules whereby communities trade allocations are allowed but must be accomplished before letters of intent are due to ADOH

MOD Submission to ADOH

Effective January 1, 2016, each COG must submit its MOD once every three (3) years to ADOH within 45 days of the Information Bulletin published by ADOH (announcing the COG's allocations by CDBG region) along with documentation that the MOD has been approved by formal action of the Regional Council.

Recipient Community Responsibility

While CDBG money is scheduled to be provided to all recipient communities according to the Method of Distribution, an actual award of CDBG funds is contingent upon an application that is eligible and that meets all application review thresholds listed in Section 3. It is the responsibility of each recipient community to submit a CDBG application with a request of funding equal to or less than the amount of the projected allocation in the MOD. If a community that is scheduled to be funded does not submit a viable and compliant application to ADOH, the allocation for that community will be re-allocated to the SSP. If the funding amounts scheduled for a community exceed funding requests included in the application, the balance will be redistributed to the SSP. Back-up applications will not be accepted.

Letter of Intent (LOI) Submission to ADOH

Each individual community and county must submit a Letter of Intent (LOI) to ADOH regarding their projects selected for application to the Regional Account. The LOI must be received by ADOH no less than 120 days prior to the regional account application due date for the respective community or county. The LOI must include *all* of the following information:

- Amount of funds applied for;
- Project title;
- Project location;
- Service Area;
- Intended National Objective to be met;
- Proposed beneficiaries;
- Detailed information on who will administer all aspects of the project;
- Scope of Work; and
- Information on any additional funding sources being used for the project. Are these funds applied for? Approved? Committed by governing body?

Any community or county that fails to submit an LOI by the deadline will not be eligible for regional account funding and their allocation will be returned to the State Special Projects Account. A sample Letter of Intent can be found on the next page.

Letter of Intent Template (not a required form but can be used by applicant)

[DATE]

Ms. Katherine E. Blodgett
CD& R Programs Administrator
Arizona Department of Housing
1110 W. Washington, Suite 280
Phoenix, AZ 85007

RE: [NAME OF CITY/TOWN/COUNTY]
FY[YEAR] CDBG Regional Application

Dear Ms. Blodgett,

The [CITY/TOWN/COUNTY]Arizona intends to apply for FY [YEAR] CDBG RA funds for a [BRIEF PROJECT DESCRIPTION i.e. Street Improvements] project. Specific project information is as follows:

Amount of Funds: \$[AMOUNT OF APPLICATION]
Project Name: [NAME OF PROJECT]
Project Location: [detailed location of project description]
Service Area: [service area description i.e. entire town, neighborhood A etc.]
National Objective: Benefitting Low and Moderate Income Persons
 Preventing or Eliminating Blight
 Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.
Beneficiaries: [description of beneficiaries]
Project Administration: [describe who and how project will be administered]
Scope of Work: [clear and concise scope of work]
Additional Funding: [description of any additional funding for project]

Should you have any questions or concerns regarding this proposed project, please contact [NAME AND TITLE OF CONTACT]at [TELEPHONE #]or [EMAIL ADDRESS]

Sincerely,

[TITLE]
[CITY/TOWN/COUNTY]

Cc:

REV. 12/2017

*SAMPLE Letter of Intent***SAMPLE LETTER OF INTENT**

February 1, 2018

Ms. Katherine E. Blodgett
 CD& R Programs Administrator
 Arizona Department of Housing
 1110 W. Washington, Suite 280
 Phoenix, AZ 85007

RE: City of Anytown
 FY2014 CDBG Regional Application

Dear Ms. Blodgett,

The City of Anytown Arizona intends to apply for FY2018 CDBG RA funds for a street improvements project. Specific project information is as follows:

Amount of Funds:	\$150,000.00
Project Name:	A and B Street Improvements
Project Location:	North A and B Streets between 1 st and 2 nd Avenues in the Northeast section of the City of Anytown.
Service Area:	Project Location is residential in nature therefore the service area is limited to the area covered by the project location.
National Objective:	<input checked="" type="checkbox"/> Benefitting Low and Moderate Income Persons <input type="checkbox"/> Preventing or Eliminating Blight <input type="checkbox"/> Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.
Beneficiaries:	40 households consisting of approximately 128 persons of whom 83 are low-income.
Project Administration:	General administrative activities will be handled by Anytown's CDBG Coordinator – Suzie Q. Expert. Anytown will competitively

SAMPLE Letter of Intent continued

Scope of Work: procure an Engineer to complete plans and oversee construction. Anytown public works employees will provide all labor. Widen north A and B Streets from 1st Avenue to 2nd Avenue - from 24' to 36' for approximately 1000 linear feet on each street. Add curb, gutter and ADA cuts/ramps. Replace and/or mill approximately 1400 sq yd of asphalt. Materials: 9" deep aggregate base course, 7" of asphaltic concrete, chip seal, 36" underground pipe.

Additional Funding: Anytown will need an additional \$150,000 to complete this project which will be provided thru an ADOT grant of \$100,000 approved on January 15, 2018 and a commitment of Anytown general funds in the amount of \$50,000 approved at council on January 20, 2018.

Should you have any questions or concerns regarding this proposed project, please contact Susie Q. Expert, CDBG Coordinator at (928) 555-1000 or Susie.Q.Expert@myemail.gov

Sincerely,

Susie Q. Expert

Susie Q. Expert, CDBG Coordinator
City of Anytown

Cc: John B. Good, Mayor – City of Anytown

Application Routing through COG

All CDBG Regional Account applications must be routed through the COG for review. The COG will review each application for completeness, notify each community of their findings and assist the community with rectifying any application deficiencies. The responsibility to correct deficiencies lies with the community unless the COG is providing this service under contract to the community. The COG has no discretion to reject applications and must forward all applications to the state. Only those communities identified as eligible to receive funding in the current year MOD and having submitted the required LOI by the deadline prescribed may submit an application, therefore, no rating or ranking or similar comparative analysis is necessary. COG costs for application review must be negotiated between the community and the COG. Each COG will establish its own application procedures (letters of intent, etc.) and submission deadline.

COG Submission of Regional Account Applications to ADOH

Each COG will submit the following items to ADOH by the application deadline:

- A list identifying all applications received, the activities in each, and the amount of funds requested per activity.
- Evidence that the MOD was implemented, which includes the list of applicants in each cycle and the amount and percent of funds assigned to each.
- Documentation that procedures to implement the MOD were followed (i.e. minutes of COG Executive Board or committee meetings).
- Documentation that the MOD was adopted by a formal legal action of the COG (i.e. a motion passed or a resolution adopted by that body).
- The original signed application from each entity recommended for funding.

Application Deadlines

All RA applications are due to ADOH by 4:00 p.m. on the following dates (unless otherwise adjusted by ADOH):

Regional Account Application Deadlines	
NACOG	June 1
WACOG	July 1
SEAGO	August 1
CAG	September 1

(If a weekend, then the first business day thereafter)

Applications will be accepted in electronic format only with some required original documents that should be mailed at the time of submission. Applicants must upload their documents through the ADOH “CDBG and HOME (Owner Occupied Housing Rehabilitation) Portal” located on the ADOH website at:

<https://housing.az.gov/portals/document-upload-portals/cdbg-home-portal>

Application instructions indicate which original documents must be sent by regular or express mail. Copies of these original documents must be included in the application upload.

STATE SPECIAL PROJECTS

The main difference between the Regional Account and the State Special Projects (SSP) Account is that the SSP round is competitive. All SSP applications must demonstrate that the project is ready to proceed immediately and will be complete within no more than twenty-four (24) months from the time of award.

Eligible SSP Activities

Only project types for the categories listed below will be eligible to apply for CDBG SSP funding:

- Public Facilities and Improvements
- Community Facilities
- Housing
- Engineering Plans, Architectural Plans or Environmental Review Records for projects that will be implemented through the applicant's next Regional Account application(s).

Priority is given to proposed projects that address unmet needs of the community and target low-income populations.

Applicants unsure of an activity's eligibility are encouraged to contact ADOH staff to discuss the project.

Application Submission

All communities eligible to receive funding from the State CDBG program are eligible to apply. Each UGLG is encouraged to submit one (1) CDBG SSP application through the CDBG and HOME Document Upload Portal on the Department's website at: <https://housing.az.gov/portals/document-upload-portals/cdbg-home-portal>.

Threshold Issues and Application Requirements

To qualify for SSP funding, applicants must submit the items listed below. Applications that are not complete and do not contain the following items will not be considered:

- Meets one (1) of the three (3) National Objectives:
 1. provides benefit to low-to-moderate income persons,
 2. prevents or eliminates slum or blight, or
 3. meets another urgent community need;
- Application forms are properly completed.
- Funds a CDBG SSP-eligible activity;
- ERR is complete and SSP application includes the signed E-13 (Authority to Use Grant Funds), issued by ADOH for CE and EA activities or an ADOH issued approval of EXEMPT activity
 1. The issuance date of the E-13 must be prior to submission of the SSP Application.
 2. For Environmental Review Records subject to re-evaluation, ADOH will issue a written notification of approval. Applications must include a copy of the notification of approved re-evaluation as well as a copy of the original E-13. The issuance date of the approved re-evaluation must be prior to submission of the SSP Application.
 3. ADOH Staff will not "marry" E-13 or re-evaluation approvals to submitted applications. These items must be included in the original SSP Application submittal by the Applicant.

- Well- documented evidence of public participation including evidence community held at least two (2) public hearings (postings, ads, affidavits); a list of projects discussed during the public participation process, meeting minutes from both hearings, public sign-in sheets from first hearing;
- Budget should demonstrate project viability, sufficient funding to complete the entire project and documented proposed expenses and schedules. The source for all leverage funds must be provided. Applicants can provide a detailed third party cost estimate in support of their proposed project budget at their discretion.
- The application includes back-up documentation supporting the Service Area for the project (i.e. project maps, census data, surveys, appropriate, complete application forms, etc.). Application also includes a narrative justification of the geographical outline of the Service Area.
- Applicant has demonstrated capacity to carry out an SSP grant through previous contract performance (on all ADOH Contracts including HOME, HTF & CDBG);
 1. All reporting required by ADOH is up to date; and
 2. All monitoring findings have been cleared; and
 3. Applicant Team is compliant with all current contracts; and
 4. Applicant has no existing contracts in which project completion reports and data have not been submitted to ADOH within 60 days of the final draw; and
 5. Applicant has no current contract in which funds have not been drawn for six (6) months.
- Applicant has met the following progress and expenditure thresholds for all non OOHR open CDBG, HOME or HTF contracts with ADOH.

(Note: Thresholds are based on original term of the Funding Agreement. Contract extensions initiated by recipients that are necessary to complete the original scope of work will not increase the term allowable. Recipients who initiate contract extensions due to an increase to the scope of work on the original project or recipients with extensions to contracts that are initiated by ADOH will not be penalized.)

1. ***Recipients with contracts that have reached their Funding Agreement expiration:***
 - a. Performance: Scope of Work one hundred percent (100%) complete and Contract Close out Report received; and
 - b. Expenditure Rates: CDBG, HOME or HTF funds one hundred percent (100%) expended or de-obligated.
2. ***Recipients with contracts that are three-fourths (3/4) of the way through their original Funding Agreement term:***
 - a. Performance: Project is in compliance with the Schedule of Completion per the Funding Agreement Attachment B; and
 - b. Expenditure Rates: CDBG, HOME or HTF funds fifty percent (50%) expended (verified through approved RFP's submitted to ADOH for reimbursement).
3. ***Recipients with contracts that are one-half (1/2) of the way through their original Funding Agreement term:***
 - a. Performance: Project is in compliance with the schedule of Completion per the Funding Agreement Attachment B; and
 - b. Expenditure Rates: CDBG, HOME or HTF funds thirty percent (30%) expended (verified through approved RFP's submitted to ADOH for reimbursement).

4. *Recipients with new contracts that are one-fourth (1/4) of the way through their original Funding Agreement term:*

- a. Performance: Project is in compliance with the schedule of Completion per the Funding Agreement Attachment B; and
- b. Expenditure Rates: At least one (1) pay request has been submitted.

- Applicant has met the following progress and expenditure thresholds for all open OOHR contracts funded with CDBG, HOME or HTF.

(Note: Thresholds are based on original term of the Funding Agreement. Contract extensions initiated by recipients that are necessary to complete the original scope of work will not increase the term allowable. Recipients who initiate contract extensions due to an increase to the scope of work on the original project or recipients with extensions to contracts that are initiated by ADOH will not be penalized.)

1. *Recipients with contracts that have reached their Funding Agreement expiration:*

- a. Expenditure: Funds are one-hundred percent (100%) expended or de-obligated with final request for payment submitted to ADOH within sixty (60) days of the contract expiration per Funding Agreement Section 13 Compensation and Method of Payment.
- b. Close out Report has been submitted to ADOH within sixty (60) days of the contract expiration per Funding Agreement Section 7.2 Contract Closeout—Completion Reports and Post-Funding Audits.

2. *Recipients with open, CDBG, HOME or HTF OOHR contracts:*

- a. Performance: Project is in compliance with the Schedule of Completion per the Funding Agreement Attachment B; and
- b. Expenditure: Applicant must submit an up-to-date Schedule of Completion/Performance Report (Attachment B) with the application that indicates the status of units (completed, underway, out to bid, qualified, etc.) and an up-to-date expenditure report for each of those units for all open CDBG, HOME and HTF OOHR contracts. The report must show that a reimbursement of expenditures has been requested for all completed units.

Project Specific Thresholds

For Public Facilities and Improvements

- Eligible activities are:
 - Water System Improvements
 - Wastewater System Improvements
 - Road/Street Improvements
 - Flood and Drainage Improvements
 - Other Public or Privately Owned Utilities
- Applicant must submit complete construction plans and specifications including evidence of approval by the appropriate department at the local government level.
- Applicant must submit proof of site control.
- Applicant must submit final engineering design drawings, signed and certified.

- Applicant must submit a list of qualified bidders selected for solicitation and statement certifying that the local government will select vendors through a competitive procurement process compliant with CDBG guidelines.
- Applicant must include copies of all applicable permits (e.g. zoning, building, Army Corps of Engineers) *or* letters from the appropriate bodies stating these permits will likely be approved within thirty (30) days of award notification. In the event that permits are not applicable (i.e. work performed by city staff in the right of way owned by the city) the applicant must provide a detailed written explanation of why permits are not applicable to the project.
- Applicant must submit evidence of proper zoning for the project type from the appropriate planning and/or zoning dept.
- Applicant must provide detailed Cost estimates that have been signed and certified by an Architect, Engineer or Contractor.

For Community/Supportive Housing Facilities:

- Eligible Activities are:
 - ADA/ROB Improvements – as a standalone activity for any community/supportive housing facility (including parks, playgrounds, libraries, youth centers, community centers, etc.)
 - Community Facilities (e.g. Community Center, Sr. Center)
 - Food Banks
 - Physical or Psychological Disabilities Facilities
 - Homeless Facilities
 - Supportive Housing Facilities (DV shelters, halfway houses, housing for disaster victims, hospitals etc.)
- Applicant must submit complete construction plans and specifications including evidence of approval by the appropriate department at the local government level.
- Applicant must submit documentation demonstrating that the applicant or sub-recipient owns the land in question with no restrictive agreements attached to the land.
- Applicant must provide a list of qualified bidders selected for solicitation and statement certifying that the local government or sub-recipient will select vendors thru a competitive procurement process compliant with CDBG guidelines.
- Applicant must provide detailed Cost Estimates that have been signed and certified by an Architect, Engineer or Contractor.
- Applicant must include copies of all applicable permits (e.g. zoning, building, Army Corps of Engineers) or letters from the appropriate bodies stating these permits will likely be approved within thirty (30) days of award notification. In the event that permits are not applicable (i.e. work performed by city staff in the right of way owned by the city) the applicant must provide a detailed written explanation of why permits are not applicable to the project.

For Housing:

- Eligible activities are:
 - Owner Occupied Housing Rehabilitation
 - Rental Housing Rehabilitation
 - Lead-based Paint Evaluation or Reduction
- Applicant must provide a copy of the wait list in spreadsheet format of *income qualified* homeowners/tenants who have applied to receive assistance, the date of the income qualification (must be 6 months or less for at least the same number of beneficiaries who will be served by the application) and the household demographics including but not limited to: name, address, household size, race, ethnicity, income, %AMI, household type, etc. The wait list must be certified as a true copy of the original and signed by the Grants Coordinator, Rehabilitation Specialist or other appropriate official.

- Applicant must submit an electronic copy of the community's Housing Rehab Guidelines (HRGs) prior to submission of the application. The application must include a copy of the ADOH acknowledgement of receipt of the digital HRG's AND a copy of the ADOH document approving the HRGs. HRG's therefore must be reviewed and approved by ADOH well before the submission deadline of an SSP application. HRG's must have incorporated ADOH Weatherization Standards (Issued 10/12/12, REV. 8/22/13) located at: <https://housing.az.gov/documents-links/forms/state-housing-fund>. (See also CDBG Application Handbook Section 11, Housing Rehabilitation Guidelines Part B, page 215).
- Applicant must submit evidence that the community's HRGs have been adopted by its governing body via a resolution or meeting minutes.
- If Rental Rehab: applicant must include documented evidence the property owner has site control.
- If Rental Rehab: applicant must submit a copy of the agreement between the property owner and the local government to rent a certain percentage of units to L/M income households.

For Planning

- Eligible activities are:
 - Engineering Plans
 - Architectural Plans
 - Environmental Review Records (ERR)
- The state is limited by CDBG statute to twenty percent (20%) of its annual allocation for administration and planning activities. Therefore, applicants must notify the CDBG program in advance of their intention to apply for funds for a planning grant in writing. The written notification must specify the type of plan to be undertaken and the maximum amount of resources to be requested. ADOH retains the right to declare an application for this activity non-fundable based on the state limitation. Applicants will be considered for funding for this activity, if the statewide limitation is exceeded, on a first-notified, first-funded basis. Applicants must submit a copy of the written notification letter dated prior to application deadline.
- Applicant must submit a copy of the ADOH approval to apply for a planning grant dated prior to the application due date.
- All Planning must be for projects that will be implemented through the applicant's next Regional Account application. Applicants will be required to submit an original certification letter executed by the Chief Elected Official verifying that the applicant's upcoming regional account application will be for the implementation of the project for which the planning was completed. Public Participation documentation must support that the planning and project have been discussed, open for public comment and selected as the applications to be submitted to ADOH for funding.
- Completed plans or ERR must be for projects that benefit at least fifty-one percent (51%) low-mod persons.
- For applicants that do not have a contracted engineer, architect or third party consultant to prepare an ERR:
 - Applicant must submit a Draft Request for Qualifications (RFQ) for the procurement of the engineer, architect or third party consultant.
 - Applicant must submit a list of qualified firms to solicit RFQ
- For applicants that already have a contracted engineer, architect or third party consultant to prepare an ERR:
 - Applicant must submit copies of the procurement documentation from selection of the contracted engineer, architect or third party consultant.
 - Applicant must submit a copy of the contract between the applicant and the engineer, architect or third party consultant.
 - Scope of services in the contract must cover the completion of the plan or ERR for which funding is requested.

Any additional thresholds as announced in the Notice of Funds Available (NOFA) for an SSP competitive funding round.

Applicants and project applications must meet all of the common and all of the activity-specific threshold requirements to be considered for competitive funding. Those applications missing required threshold items will be given a remedy period of five (5) business days to submit the required documentation. ADOH will contact the applicant (via e-mail), regarding the insufficient threshold documentation. Applications that do not meet all thresholds at the end of the remedy period will not receive further consideration.

Alignment with the Consolidated Plan

Applications must demonstrate alignment with one (1) or more of the priority goals in the State's FY2020- 2024 Consolidated Plan at sections SP-45 and AP-20. Units of local government are encouraged to select projects that also reflect a priority within the Community's General Plan or Strategic Revitalization/Neighborhood Strategy. The State's FY2020-2024 Consolidated Plan is available from the Publications page on the ADOH website at <https://housing.az.gov/>.

Application Deadline

A Notice of Funds Available (NOFA) will be issued to all communities (via email and the ADOH website) when ADOH has determined the amount of funds available for the SSP Account. The NOFA will provide specific instructions about the application deadline and additional requirements for submittal.

Selection of Project Awards

Projects will be selected for SSP funding by a competitive process through which applications are scored and prioritized. Scored applications will be kept on file for one (1) year. If funding becomes available through recaptured or de-obligated CDBG funds, applications that received the next highest scored ranking will be required to submit updated information and then assessed for financial viability and project feasibility for a potential award of SSP funding.

Funding Agreement Terms

Funding Agreements entered into between successful applicants and ADOH will contain schedules reflective of the reasonable amount of time that will be required to undertake the proposed activity. The maximum timeframe for project completion is twenty-four (24) months. The successful applicant must return fully executed Funding Agreement documents with Mayor's/Board Chair's signature within thirty (30) days of their receipt. Funding Agreements not returned within the specified time period will be terminated and funds will be reassigned to the next highest ranking scored community.

Maximum Grant Amount

The maximum grant available under any SSP notice is announced in the NOFA and is potentially up to \$500,000. Funds unexpended at contract termination shall be returned to the state.

Selection Notification

ADOH anticipates notifying all applicants within sixty (60) days of receiving the application as to whether they will be funded or not. Applicants approved for funding must be prepared to initiate projects within thirty (30) days of notification.

Public Participation

ADOH encourages each community to combine SSP projects with Regional Account Projects in the public participation and publication process to avoid the need for additional publications and hearings. All Public Participation documentation for that fiscal year must be included in the SSP application. No prior funding year documentation will be accepted.

COLONIAS**Set Aside**

The Cranston-Gonzalez National Affordable Housing Act of 1990 obligated the U.S. Department of Housing and Urban Development (HUD) to earmark CDBG funding for upgrading the housing and infrastructure of Colonias communities. It mandated a set-aside (10%) for the improvement of Colonias communities in all the states along the U.S.-Mexico border. Colonias communities often lack the basic necessities most Americans take for granted including running water, sanitary waste water treatment, electricity, and safe housing.

Arizona must set-aside at least ten percent (10%) of its total annual allocation for Colonias projects; only projects that address the lack of basic infrastructure or safe and sanitary housing can qualify as Colonia projects.

Definition

For purposes of this section, the term “Colonias” means any identifiable community that:

- Is in the state of Arizona, California, New Mexico or Texas; and
- Is in the U.S. - Mexico border region (i.e. within 150 miles of the U.S. - Mexico border but excluding any standard metropolitan statistical area that has a population exceeding one million). Most of these communities are in unincorporated areas (in counties’ jurisdictions); and
- Is determined to be a Colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems and lack of decent, safe and sanitary housing; and
- Was in existence as a Colonia before the date of enactment of the National Affordable Housing Act (i.e. November 28, 1990).

Procedure for Applying for a Colonia project

In order to provide sufficient funding to address those issues that plague Colonias, ADOH will make funding available through the Colonia set-aside once every two (2) years in a competitive application process announced through a Notice of Funds Available (NOFA).

Applicant must be a State of Arizona, Department of Housing Certified Colonias or must complete and submit a Colonias Designation and Certification packet along with all source documentation at least sixty (60) days prior to the Colonias Application deadline. The current list of those Colonias who have been certified as eligible to

participate in the competitive Colonias Set Aside application round is posted on the Department's website on the Community Development and Revitalization page.

All applicants for a Colonias project will be asked to submit a Colonia form (Form 11), map, and a copy of the Colonias resolution along with the required project application forms. Eligible applicants may submit only one (1) project application for Colonias funding.

Eligible Colonias Activities

The activities that qualify as Colonia projects will be limited to those that:

- Address the lack of decent, safe, and sanitary housing (Substantial Housing Rehabilitation);
- Address the lack of potable water supply (Water Infrastructure construction);
- Address the lack of adequate sewage systems (Sewer Infrastructure and/or Sewer Connections under Housing Rehabilitation);
- Planning for Waste Water Treatment improvements;
- Planning for Potable Water Delivery improvements.

Threshold Issues and Application Requirements

To qualify for Colonias funding, applicants must submit the items listed below as well as any additional required documentation listed in the NOFA. Applications that are not complete and do not contain the following items will not be considered:

Thresholds for all Colonias applications:

- Project meets one (1) of the three (3) National Objectives:
 1. provides benefit to low-to-moderate income persons,
 2. prevents or eliminates slum or blight (application must include copy of ADOH approval to apply for a Slum/Blight project), or
 3. meets another urgent community need (application must include a copy of ADOH approval to apply for an Urgent Need project);
- Funds a CDBG-Colonias eligible activity;
- ERR: completion requirements for project types are:
 1. For OOHHR Colonia Applications, the Tier 1 ERR is complete and the Colonias application includes a copy of the signed E-13 (Authority to Use Grant Funds), issued by ADOH. The issuance date of the E-13 must be prior to submission of the Colonias Application.
 2. For Planning Colonia Applications, the Exempt ERR has been approved by ADOH and a copy of the approval of the Exempt ERR is included in the application.
 3. For all other Colonia Applications (Water, Sewer) the application must include evidence the ERR has begun. Applicants must submit copies of the E-1 Project Description; E-3 Level of Environmental Review; E-3.1 Determination Form; consultation letters required by the E-4 Statutory Worksheet or E-11 Environmental Assessment Checklist; and evidence the letters were mailed, faxed or e-mailed.
 4. For Environmental Review Records subject to re-evaluation, ADOH will issue a written notification of approval. Applications must include a copy of the notification of approved re-evaluation as well as a copy of the original E-13. The issuance date of the approved re-evaluation must be prior to submission of the Colonias Application.

5. ADOH Staff will not “marry” E-13 or re-evaluation approvals to submitted applications. These items must be included in the original Colonias application submittal by the Applicant.
- Well- documented evidence of public participation including evidence community held at least two (2) public hearings (postings, ads, affidavits); a list of projects discussed during the public participation process, copies of meeting minutes from both public hearings and sign in sheets from the first public hearing;
 - Applicant has demonstrated capacity to carry out CDBG grant through previous contract performance or through partnership with an entity with proven CDBG contract performance;
 - Project is financially viable and proposed expenses and schedules are documented;
 - Proof of land/property control is provided, with documentation of ownership, (if applicable);
 - Application includes evidence of demonstrated need for the project;
 - Project demonstrates primary benefit to low-to-moderate persons; and
 - Applicant provides a clear and concise description of the project.

Project Specific Thresholds

Housing Rehabilitation - Owner Occupied and Rental

- Application includes a copy of the wait list in spreadsheet format of *income qualified* homeowners/tenants, the date of income qualification (must be six (6) months or less for at least the same number of beneficiaries to be served under the application) and the household demographics including but not limited to: household name, address, household size, race, ethnicity, amount of verified income, date of income qualification, %AMI and household type, etc. The list must be certified as a true copy of the original and signed by the Grants Coordinator, Housing Rehabilitation Specialist or other appropriate official.
- Applicant must submit a digital copy of complete Housing Rehab Guidelines (HRGs) prior to the application due date.
- HRGs must incorporate energy efficiency retrofitting policies and procedures.
- Application must include a copy of the ADOH acknowledgement of receipt of the digital HRGs.
- Application must include a copy of the ADOH document approving the HRGs.
- Applicant must submit evidence that the community’s HRGs have been adopted by its governing body via a resolution or meeting minutes. Any adjustments, additions, deletions or corrections required by ADOH amending the HRG’s will need to be adopted prior to reimbursement of any expenditures.
- If Rental Rehab: applicant must include documented evidence the landlord has site control.
- If Rental Rehab: applicant must submit a copy of the agreement between the landlord and the local government to rent a certain percentage of units to L/M income households.

Public Works (Potable Water Deliver, Waste Water Treatment)

- Applicant must submit a list of qualified bidders selected for solicitation and statement certifying that the local government will select contractors/vendors through a competitive procurement process compliant with CDBG guidelines.
- Applicant must submit preliminary engineering design drawings, signed and certified.
- For Infrastructure projects: Applicant must submit evidence that the community has site control.

- Applicant must provide copies of all applicable permits (i.e. zoning, building, Army Corps of Engineers) or letters stating likely approval of permits from the appropriate bodies within 30 days from execution of funding agreement with ADOH.
- Cost estimates have been certified by an Architect, Engineer or Contractor.

Planning Activities (Potable Water Delivery or Waste Water Treatment)

- Applicant must receive prior approval to submit an application for a planning only activity.
- Applicant must submit a copy of the ADOH letter of approval for submission of a planning activity application

All other competitive application requirements will be included in the Colonias Set Aside NOFA.

Application Deadline

A Notice of Funds Available (NOFA) will be issued via email and the ADOH website announcing the amount of funds available for Colonias projects. The NOFA will provide specific instructions about the application deadline and additional requirements for submittal.

Selection of Project Awards

Projects will be selected for Colonias funding by a competitive process through which applications are scored and prioritized. Scoring criteria will be indicated in the Colonias NOFA and available on the ADOH website.

Funding Agreement Terms

Funding Agreements entered into between successful applicants and ADOH will contain schedules reflective of the reasonable amount of time that will be required to undertake the proposed activity. The maximum timeframe for project completion is typically twenty-four (24) months but not to exceed thirty-six (36) months. The successful applicant must return fully executed Funding Agreement documents with Mayor's/Board Chair's signature within thirty (30) days of their receipt. Funding Agreements not returned within the specified time period will be terminated and funds will be reassigned to the next highest ranking scored community.

Maximum Grant Amount

The maximum grant available under any Colonias application round including administrative funding is typically equal to the total amount of funds for the set aside for two (2) years combined as announced in the NOFA. This will allow applicants to apply for larger projects that potentially address a water, sewer or housing issue in its entirety. Funds unexpended at contract termination shall be returned to the state.

Selection Notification

ADOH anticipates notifying all applicants within sixty (60) days of receiving the application as to whether they will be funded or not. Applicants approved for funding must be prepared to initiate projects within thirty (30) days of notification.

Public Participation

ADOH encourages each community to combine Colonias projects with SSP and Regional Account Projects in the public participation and publication process to avoid the need for additional publications and hearings. All

Public Participation documentation for that fiscal year must be included in the Colonias application. No prior funding year documentation will be accepted.

REDISTRIBUTION OF FUNDS

Funds will be redistributed for either the Regional Account or SSP as necessary according to the following: *(The following language must be included in all MODs)*

Recapture

Recapture is the action of removing funds from a contract due to one (1) of the following two (2) types of circumstances:

Recapture for Non-compliance

The ADOH determines that CDBG funds were not used in compliance with the contract between ADOH and the recipient or in compliance with federal regulations.

Recapture for Non-performance

The recipient fails to perform according to the performance criteria outlined in the contract scope of work, the contract schedule, and/or the performance criteria outlined in the text of the contract with ADOH.

De-obligation

De-obligation is the action or removing funds from a contract due to one (1) of the following:

Scope of Work Completed

The scope of work is completed using less CDBG funds than anticipated and leaving an unexpended balance.

Loan

The original allocation was a loan and the loan was paid back.

Activity Changed or Cancelled

An activity was changed or cancelled (for reasons other than performance) resulting in excess funding.

Program Income

Program income is received that is not programmed for use.

De-obligated funds may be rolled into an existing contract of the same funding year from which the funds were de-obligated if they can be put under contract (an executed amendment) within sixty (60) days and used quickly. The community must have a positive performance record to be granted this approval. If rolling de-obligated funds into an existing contract is not possible, the funds will return to ADOH for redistribution.

All Recaptured or De-obligated funds returned to ADOH will be redistributed through the State Special Projects competitive application notice.

SECTION 7. CERTIFICATIONS, RESOLUTIONS AND APPLICATION FORMS

CERTIFICATIONS

Certifications for All CDBG Applicants



CERTIFICATIONS

APPLICANT CERTIFICATIONS FOR FY

The applicant hereby assures and certifies that:

1. It possesses legal authority to apply for Community Development Block Grant funds, and to execute the proposed program.
2. Prior to the submission of the application, the applicant's governing body has duly adopted or passed as an official act a resolution authorizing the submission of the application, including all understandings, assurances, statutes, regulations and orders contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
3. Its chief executive officer or other officer of the applicant approved by the State:
 - a. Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified at 24 CFR 58.1(a) (3) and (a)(4), which further the purposes of NEPA insofar as the provisions of such Federal law apply to this program.
 - b. Is authorized and consents on behalf of the applicant and him (her) self to accept the jurisdiction of the federal and State courts for the purpose of enforcement of his/her responsibilities as such an official.
4. It will comply with the provisions of Executive Order 11990, relating to evaluation of flood hazards and Executive Order 11288 relating to the prevention, control and abatement of water pollution.
5. It will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archeological and Historical Data Act of 1966, P.L. 93-291 (16 U.S.C. 469a-1, et seq.).
6. It will administer and enforce the labor standard requirements of the Davis Bacon Act, as amended at 40 U.S.C. 276a-276a-5, and the Contract Work Hours and Safety Standards Act at 40 U.S.C. 327-333.
7. It will comply with the provisions of 24 CFR Part 24 relating to the employment, engagement of services, awarding of contracts or funding of any contractors or subcontractors during any period of debarment, suspension or placement in ineligibility status.
8. It shall comply with the requirements of the 1992 Lead Based Paint Poisoning Prevention Act of 42 U.S.C. 4821-4846 (also Title X of the Housing and Community Development Act of 1992) and implementing regulations at 24 CFR Part 35.
9. It will comply with the provisions of 2 CFR part 200 "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards".
10. It will comply with the American Disabilities Act and Section 504 of the Rehabilitation Act, as amended.

Certifications for All CDBG Applicants (continued)

11. It will comply with
 - a. Title VI of the Civil Rights Act of 1964 (Pub. L. 88- 352), and the regulations issued pursuant thereto (24 CFR Part 1).
 - b. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90- 284), as amended.
 - c. Section 109 of the Housing and Community Development Act of 1974.
 - d. Executive Order 11063 pertaining to equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
 - e. Executive Order 11246, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60).
 - f. Section 3 of the Housing and Urban Development Act of 1968, as amended.
 - g. Federal Fair Housing Act of 1988, P.L. 100-430.
 - h. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1973, 42. U.S.C. 6101-07, and the prohibitions against discrimination against persons with handicaps under Section 504 of the Rehabilitation Act of 1973, (P.L. 93-112), as amended, and the regulations at 24 CFR Part 8.
 - i. The requirements of the Architectural Barriers Act of 1966 at 42 U.S.C. 4151-415.
12. It will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations.
13. The Applicant certifies that there was no participation in any aspect or manner of the due diligence, compilation, preparation, or submission process relating to this Application, or the project that is the subject of this Application, by any person(s) or entity(ies) in violation of applicable State of Arizona (such as those found at A.R.S. §§ 38-501 - 38-511) or federal (such as those found at 24 CFR 92.365 relating to the administration of HOME funds or 24 CFR 570.611 relating to the administration of CDBG funds) conflict of interest laws . Should ADOH determine that such a conflict exists; the Application will be discontinued from consideration of the award at issue. Further, violations of any other applicable state or federal law will similarly result in disqualification of the Application from consideration of said award. Applicant further certifies it will comply with applicable conflict of interest provisions, incorporate such in all contracts and establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
14. It will comply with the provisions of the Hatch Act that limits the political activity of employees.
15. It will give representatives of the State, the Secretary of HUD, the Inspector General, and the General Accounting Office access to all books, accounts, records, reports, files and other papers, things, or property belonging to it or in use by it pertaining to the administration of State CDBG assistance.
16. It will ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of violating facilities and that it will notify the State of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
17. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Pub. L. 93-234, 87 Stat., 975, approved December 31, 1973. Section 103 (a) required, on and after March 2, 1974.

Certifications for All CDBG Applicants (continued)

18. It has AND WILL COMPLY WITH THE PROVISIONS OF THE STATE OF ARIZONA CITIZEN AND PUBLIC PARTICIPATION PLAN FOR THE STATE OF ARIZONA CDBG PROGRAM.
19. It has developed plans to minimize displacement of persons as a result of activities assisted in whole or in part with CDBG funds and to assist persons actually displaced as a result of such activities, and has provided information about such plans to the public.
20. It will not recover any capital costs of public improvements assisted in whole or in part with CDBG funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements **unless**:
 - a. the CDBG funds are used to pay the proportion of the fee or assessment that is financed from other revenue sources, or;
 - b. it will certify to the State in writing that it lacks sufficient CDBG funds to comply with (a) but that it will not assess properties owned by very low-income persons.
21. It will provide all other funds/resources identified in the application, or any additional funds/resources necessary to complete the project as described in the application as submitted, or as may be later amended.
22. It will comply with 2 CFR 200, Subpart F – Audit Requirements; and if the grant is closed out prior to all funds having been audited, it shall refund to ADOH any costs disallowed as a result of any audit conducted after the date of grant closeout.
23. It hereby adopts and will enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and will enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
24. It will ensure that, to the best of the knowledge and belief of the undersigned:
 - a. no Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in the connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
 - b. if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c. the undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

"This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by

Certifications for All CDBG Applicants (continued)

Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure."

- 25. It shall comply with the provisions of Section 102 of the HUD Reform Act of 1989.
- 26. It shall ensure that efforts are made to recruit minority, disabled and woman owned businesses for its vendor/supplier lists.

CERTIFIED BY:

Signature of Mayor or Chair of County Board

Date

Typed Name of Mayor or Chair of County Board

NOTE: The Attorney General has ruled that these Certifications must have an original signature when submitted to the CDBG Program. If an applicant submits more than one application, the Certifications should be included in each of the applications.

Non-Profit Organization Civil Rights Certification

Required for all projects funded with CDBG utilizing non-profit organizations

Non-Discrimination against Person(s) with Disabilities



NON-PROFIT ORGANIZATION CIVIL RIGHTS CERTIFICATION (Required of all CDBG funded projects utilizing Non-Profit Organizations)

Applicant: [Click here to enter text.](#)

Non-Profit: [Click here to enter text.](#)

Please complete this form and include it with the Application to the Arizona Department of Housing, Revitalization/CDBG Program. No funds can be disbursed for your CDBG contract until this form has been received and approved by the CDBG Program.

NOTE: If the answer is **NO** to any items on this form, please include a written explanation detailing how system integrity is maintained in an equivalent manner. Each explanation on the attachment should start with the letter and number of the item.

1. Does the non-profit have a written policy that requires that all advertisements for employment indicate that the non-profit organization is an equal opportunity employer? Yes No
2. Attached is a copy of the non-profit organization's employment application form. Yes No
3. Does the non-profit organization have written employment and personnel policies? Yes No
4. Identify, by title, the person responsible for updating/revising these policies.
[Click here to enter text.](#)
5. Do these policies include procedures for filling and processing of civil rights complaints? Yes No
6. Identify where the employment/personnel policies are located in the non-profit organization.
[Click here to enter text.](#)
7. Is there a written procedure that requires that all new employees be notified of these written personnel policies, provided with a copy, and given an opportunity to review them or that new employees are notified of where they are located and how they can be reviewed? Yes No
8. Does the non-profit organization have a written affirmative action plan? Yes No
9. Is the non-profit organization under a court order to develop and implement such a plan? Yes No
If yes, provide additional information, such as the date of the court order and the type of action required. [Click here to enter text.](#)
10. Does the non-profit organization display non-discrimination/EEO posters? Yes No
If yes, identify locations. [Click here to enter text.](#)

Non-Discrimination against Person(s) with Disabilities (continued)



11. Has the non-profit organization received any employment-related civil rights complaints in the current or prior calendar year? Yes No
 If yes, describe the number and type.
 Click here to enter text.
12. Identify where the files for such complaints are located.
 Click here to enter text.
13. Describe the status of each such complaint.
 Click here to enter text.
14. If involved in housing programs, each non-profit organization must undertake at least one activity to "affirmatively further fair housing." Check off the activity(ies) undertaken and **attach documentation**.
- a. Display a Fair Housing Poster: Yes No
 Location: Click here to enter text.
- b. Display Fair Housing brochures or publications Yes No
 Location: Click here to enter text.
- c. Other, PSA's, promotion of non-discriminatory advertising using the Fair Housing logo, news releases, etc. (documentation attached) Yes No
- d. Maintain a Fair Housing file with distribution lists, location, etc. for CDBG review. Yes No
15. Does your non-profit organization have a process to receive and resolve housing discrimination complaints? Yes No
 If yes, describe the system, the number of complaints received in the current or prior calendar year, and the status of each complaint.
 Click here to enter text.

504 Compliance: Non-discrimination against Person(s) with Disabilities



504 Compliance: NON-DISCRIMINATION AGAINST INDIVIDUALS WITH DISABILITIES

Please identify the position, by title, responsible for the implementation of each action AND describe the status actions taken to satisfy the components

Component	Status	Responsible Person/Title
1.Communications (TTY/Az Relay, etc.)	Click here to enter text.	Click here to enter text.
2. Self Evaluation Plan	<i>(to include date adopted)</i> Click here to enter text.	Click here to enter text.
3.Transition Plan	<i>(to include date adopted)</i> Click here to enter text.	Click here to enter text.
Component	Status	Responsible Person/Title
4. 504 Coordinator	Click here to enter text.	Click here to enter text.
5.Grievance Procedures	(comments in status section to include number of grievances and the status of their resolution) Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.

Financial Management Certification

This form is required for all projects funded with CDBG utilizing non-profit organizations. The information contained in the form concerns the financial management practices of the non-profit.



FINANCIAL MANAGEMENT CERTIFICATION

(Required of all CDBG-funded projects utilizing non-profit organizations)

Applicant: _____

Non-Profit: _____

Please complete this form and include it with the Application to the Arizona Department of Housing, Revitalization/CDBG Program. Please also note that it is the responsibility of the non-profit organization to notify the Applicant and ADOH/CDBG Program of any changes in the information provided in the form.

NOTE: If the answer is NO to any items on this form, please include a written explanation detailing how system integrity is maintained in an equivalent manner. Each explanation on the attachment should start with the letter and number of the item.

Complete sections A through F, if CDBG funds are received and/or disbursed by the non-profit organization. When CDBG funds are not being received or disbursed by non-profit organizations, complete only sections E and F.

A. ACCOUNTS

1. Identify the (internal) name/number of the separate CDBG account for this contract (code used in your system) designation.
2. Identify the account name/number in the financial institution where CDBG funds are ultimately deposited.
3. Identify the name/number of the separate CDBG leverage account (within the non-profit organizations internal system) for this contract (or N/A).
4. Will CDBG funds be deposited in a non-interest bearing account? Yes No
5. Does the non-profit organization have a chart of accounts that will be used for the CDBG Program funds? Yes No

B. INTERNAL CONTROLS: PERSONNEL

1. Identify the person(s), by title, which approves expenditures for the CDBG Program.
2. Identify the person(s), by title, which have authority to sign checks.

Financial Management Certification (continued)

3. Identify the person(s), by title, who is/are responsible for maintaining financial records (e.g., entering information in ledgers) and identify where these records will be kept.

C. INTERNAL CONTROL: PROCEDURES

1. Does the non-profit organization use sequentially pre-numbered receipt forms? Yes No
2. Are these forms periodically accounted for? Yes No
3. Identify the person, by title, responsible for such periodic accounting.
4. How frequently are the receipts reconciled with the deposits as shown on the bank statement?
5. Identify the person, by title, responsible for this function.
6. Describe the system to ensure that books are kept current.
7. Identify the person, by title, responsible for this function.
8. How frequently are general ledger balances reconciled with subsidiary ledger balances?
9. Identify the person, by title, responsible for this function.
10. How long after the receipt of the monthly bank statement is it reconciled?
11. Identify the person, by title responsible for this function.

D. CASH DISBURSEMENT PROCEDURES

1. Does the non-profit organization have a written policy prohibiting the signing of blank checks? Yes No
2. How many signatures are required on all checks/warrants pertaining to the CDBG account?
3. Are there written procedures for recording, voiding, and retaining voided and defaced checks? Yes No

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Financial Management Certification (continued)

- 4. Are there written procedures that require payment on an original invoice only? Yes No
- 5. Are there written procedures that require that canceled invoices and supporting documentation are marked "paid" to avoid duplicate payments? Yes No
- 6. Are all invoices reviewed and marked as "OK to pay" before payment is made? Yes No

E. PROPERTY MANAGEMENT

- 1. Does the non-profit have a fixed assets ledger? Yes No
- 2. Are all items on the ledger tagged? Yes No
- 3. How frequently is a property inventory conducted?
- 4. Identify the person, by title, responsible for ensuring that the inventory list is the same as the actual list of equipment/property.
- 5. Identify, by title, the property management/inventory officer.

F. PROFESSIONAL LIABILITY INSURANCE/ERRORS AND OMISSIONS

- 1. Identify the name of the insurance company.
- 2. Indicate the amount of the bond.

Financial Management Certification (continued)

CERTIFICATION

(This form should be certified by the Finance Director, Manager, or other person with the authority to verify to the accuracy of the information provided.)

I hereby certify that all information provided on this form is accurate.

Signature Title

Typed Name Date

If the CDBG Program has questions about this form, the person to contact is:

Typed Name Telephone Number Email

SAMPLE RESOLUTIONS

Authorization to Submit Applications

SAMPLE RESOLUTION

AUTHORIZATION TO SUBMIT APPLICATIONS AND IMPLEMENT CDBG PROJECTS

RESOLUTION NO:

A RESOLUTION OF THE [MAYOR AND CITY/TOWN COUNCIL or BOARD OF SUPERVISORS] OF THE [CITY/TOWN/COUNTY] AUTHORIZING THE SUBMISSION OF AN APPLICATION(S) FOR FY STATE COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS, CERTIFYING THAT SAID APPLICATION(S) MEETS THE COMMUNITY'S PREVIOUSLY IDENTIFIED HOUSING AND COMMUNITY DEVELOPMENT NEEDS AND THE REQUIREMENTS OF THE STATE CDBG PROGRAM, AND AUTHORIZING ALL ACTIONS NECESSARY TO IMPLEMENT AND COMPLETE THE ACTIVITIES OUTLINED IN SAID APPLICATION.

WHEREAS, the [CITY/TOWN/COUNTY] is desirous of undertaking community development activities; and
WHEREAS, the State of Arizona is administering the Community Development Block Grant Program; and
WHEREAS, the State CDBG Program requires that CDBG funds requested address one of the three Congressional mandated National Objectives; and
WHEREAS, the activities within [this/these] application(s) address the community's identified housing and community development needs, including the needs of low and moderate income persons; and
WHEREAS, an Applicant of State CDBG funds is required to comply with the program guidelines and Federal Statutes and regulations:

NOW, THEREFORE, BE IT RESOLVED THAT the [Mayor and City/Town Council or Board of Supervisors] of the [City/Town/County] authorize application to be made to the State of Arizona, Department of Housing for FY CDBG funds, and authorize the [Mayor or Chair of the Board of Supervisors] to sign application and contract or grant documents for receipt and use of these funds for [title or brief description of activity(ies), e.g. Removal of Barriers, Improvements to Park A and Park B], and authorize the [Mayor or Chair of the Board of Supervisors] to take all actions necessary to implement and complete the activities submitted in said application(s); and

THAT this application for State CDBG funds meets the requirements of low- and moderate-income benefit for activities justified as benefiting low- and moderate-income persons, aids in the prevention or elimination of slum and blight or addresses an urgent need which poses a threat to health; and

THAT, the [City/Town/County] will comply with all State CDBG Program guidelines, Federal Statutes and regulations applicable to the State CDBG Program and the certifications contained in the(these) application(s).

Passed and adopted by the [City Council/Board of Supervisors] of [City/Town/County] this [number day] day of [month], [year].

[Name of Mayor/Chair of the Board of Supervisors]
ATTEST:

[Title]
APPROVED AS TO FORM:

[Name of City/Town Clerk or Clerk of the Board]

[Name of City/Town/County Attorney]

Relocation Assistance Plan

SAMPLE RESOLUTION

RELOCATION ASSISTANCE PLAN

As required under Section 104(d) of the
Housing and Community Development Act of 1974 as amended
RESOLUTION NO.

A RESOLUTION OF THE [MAYOR AND COUNCIL OR BOARD OF SUPERVISORS] OF THE [NAME OF APPLICANT] ADOPTING A RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN FOR FY , AS REQUIRED UNDER SECTION 104(d) OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 AS AMENDED.

WHEREAS, Section 104(d) of the Housing and Community Development Act of 1974, as amended, and implementing regulations require that each applicant for Community Development Block Grant funds must adopt, make public and certify that it is following a residential antidisplacement and relocation assistance plan; and

WHEREAS, the *[name of applicant]* is submitting an application to the Arizona Department of Housing for Community Development Block Grant funds.

NOW, THEREFORE, BE IT RESOLVED, that the *[Mayor and Council or Board of Supervisors]* of the *[name of applicant]*, do hereby adopt the residential antidisplacement and relocation assistance plan as described below.

RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN

The *[name of applicant]* will replace all occupied and vacant occupiable low/moderate income dwelling units demolished or converted to a use other than as low/moderate income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974 as amended.

All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion.

Before obligating or expending funds that will directly result in such demolition or conversion, the *[name of applicant]* will make public and submit to the ADOH CDBG Program the following information in writing:

1. A description of the proposed activity;
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as LM dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;

Relocation Assistance Plan (continued)

4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of replacement dwelling units; and
6. The basis for concluding that each replacement dwelling unit will remain a LM dwelling unit for at least 10 years from the date of initial occupancy.
7. Information demonstrating that any proposed replacement of housing units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a different size, is appropriate and consistent with the housing needs and priorities identified in the State of Arizona's approved Consolidated Plan (CP).

The *[name of applicant]* will provide relocation assistance, as described in the ACT and implementing regulations, to each LM household displaced by demolition of housing or by the conversion of a LM dwelling unit to another use as a direct result of assisted activities.

Consistent with the goals and objectives of activities assisted under the ACT, the *[name of applicant]* will take the following steps to minimize displacement of persons from their homes:

[list steps taken to minimize displacement]

1. Coordinate code enforcement with rehabilitation and housing assistance programs.
2. Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent undue financial burden on established owners and tenants.
3. Stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation, working with empty units first.
4. Arrange for facilities to house persons who must be relocated temporarily during rehabilitation.
5. Adopt policies to identify and mitigate displacement resulting from intensive public investment neighborhoods.
6. Adopt policies which provide reasonable protections for tenants faced with conversion to a condominium or cooperative.
7. Adopt tax assessment policies, such as deferred tax payment plans, to reduce impact of increasing property tax assessments on lower income owner-occupants or tenants in revitalizing areas.
8. Establish counseling centers to provide homeowners and tenants with information on assistance available to help them remain in their neighborhood in the face of revitalization pressures.

Relocation Assistance Plan (continued)

Passed and adopted by the [City/Town Council or Board of Supervisors] of the [name of applicant] this [day number]day of [month], [year].

[Name of Mayor or Chair of the Board and Title]

ATTEST:

APPROVED AS TO FORM:

[Name of City/Town Clerk or Clerk of the Board and Title]

[Name of City/Town/County Atty and Title]

NOTE: *This resolution is only required to be adopted by an applicant once every five years. However, if the applicant is aware that some component of the resolution adopted in a prior year is no longer accurate or applicable, then the applicant must adopt a revised resolution reflecting accurate information.*

The application for funds must contain a copy of the Resolution adopted not more than 5 years from the submittal date to the Department of Housing CDBG Program.

Redevelopment Area (Slum or Blight)

SAMPLE RESOLUTION

REDEVELOPMENT AREA (SLUM OR BLIGHT)

RESOLUTION NO.: _____

A RESOLUTION OF THE [MAYOR AND CITY/TOWN COUNCIL OR BOARD OF SUPERVISORS] OF THE [NAME OF CITY/TOWN/COUNTY] FINDING, PURSUANT TO THE REQUIREMENTS OF A.R.S. §36-1473, THAT A REDEVELOPMENT AREA EXISTS IN THE MUNICIPALITY

WHEREAS, the [Name of City/Town/County] desires to apply for State Community Development Block Grant funds for an activity that will aid in the prevention or elimination of slum or blight; and

WHEREAS, the State Community Development Block Grant Program Provides assistance for eligible activities which aid in the prevention or elimination of slum or blight in designated areas.

NOW, THEREFORE, BE IT RESOLVED THAT:

The [City/Town/County] finds that there are one or more slum or blighted areas in the [Name of City/Town/County] ; and

The [City/Town/County] finds that the slum or blight area exists in the area described as:

- Bounded on the north by [north geographical boundaries], and
Bounded on the east by [east geographical boundaries], and
Bounded on the south by [south geographical boundaries], and
Bounded on the west by [west geographical boundaries], is

RESOLVED THAT, the redevelopment of the above described area is necessary in the interest of the public, health, safety morals or welfare of the residents of the [Name of City/Town/County] ; and is

RESOLVED THAT, the attached map further identifies the area in need of redevelopment.

Passed and adopted by the two thirds vote of [City/Town/County Board of Supervisors] of [City/Town/County] Arizona this [day number] day of [month], [year].

[Typed Name of Mayor/Chair of the Board of Supervisors and Title]

ATTEST:

APPROVED AS TO FORM:

[name of City/Town Clerk or Clerk of the Board, Title]

[Name of City/Town/County Attorney, Title]

NOTE: This Resolution is valid for ten years after the date of adoption. However, it is the applicant's responsibility to ensure that it is still applicable to the redevelopment area.

Redevelopment Area - Slum or Blight (Certificate of Mailing)

(This Certificate must be submitted to ADOH with the Redevelopment Area (Slum or Blight) Resolution)

CERTIFICATE OF MAILING

I [Typed Name], certify that on this [day number] day of [month], [year], I mailed, by first class mail, a Notice of Public Meeting scheduled for [meeting date and time] at:

[location of meeting];

The meeting concerns the proposed designation of a slum or blighted area to the following owners of real property as stated on the most recent records of the county assessor, which are within the proposed slum or blighted area:

[ATTACH A LIST OF THE NAMES AND ADDRESSES OF OWNERS]

Signature

Date

[Typed Name]

[Title]

Urgent Need - Health Hazard Certification

SAMPLE RESOLUTION

URGENT NEED - HEALTH HAZARD CERTIFICATION

RESOLUTION NO.: _____

A RESOLUTION OF THE [MAYOR AND CITY/TOWN COUNCIL OR BOARD OF SUPERVISORS] OF THE [CITY/TOWN/COUNTY] CERTIFYING THAT THE URGENT NEED HEALTH HAZARD CONDITION TO BE ADDRESSED WITH FY CDBG FUNDS DEVELOPED OR BECAME CRITICAL WITHIN 18 MONTHS PRECEDING THE ADOPTION OF THIS RESOLUTION BUT NO MORE THAN 24 MONTHS PRECEDING THE SUBMISSION OF THIS APPLICATION; THAT THE ACTIVITY WILL ALLEVIATE OR ELIMINATE THE CONDITION, AND THAT THERE ARE NO OTHER FINANCIAL RESOURCES AVAILABLE TO MEET THIS NEED.

WHEREAS, the [Name of City/Town/ County] has adopted Resolution Number _____ which authorizes submission of an application to the State of Arizona Department of Housing for FY Community Development Block Grant (CDBG) funds, and

WHEREAS, the application indicates that Activity number [identify by name] will qualify for CDBG funds on the basis of meeting the urgent need-health hazard justification allowed by Title I of the Housing and Community Development Act of 1974, as amended, and by the current CDBG Application Handbook, and,

WHEREAS, the regulations which govern the State of Arizona's CDBG Program require that any activity meeting this urgent need-health hazard requirement must address a condition that has developed or become critical within 18 months of the date of adoption of this Resolution but no more than 24 months from the date of submission of the application to the Arizona Department of Housing, CDBG Program; and must alleviate or eliminate this condition; and that the applicant must certify that no other financial resources are available to meet this need,

NOW, THEREFORE, BE IT RESOLVED that the [Mayor/Council/Board of Supervisors] of the [Name of City/Town/ County] hereby certify that the health hazard-urgent need to be addressed by the CDBG funded activity (developed or became critical) within 18 months of the date of the adoption of this Resolution and within 24 months of submission of this application to the ADOH CDBG Program, that the activity will alleviate or eliminate the health hazard-urgent need, and that the [Name of City/Town/ County] has no other financial resources available to address this need.

Passed and adopted by the [City/Town/County Board of Supervisors] of [City/Town/County] Arizona this [day number] day of [month], [year].

[Typed Name of Mayor/Chair of the Board of Supervisors and Title]

ATTEST:

APPROVED AS TO FORM:

[name of City/Town Clerk or Clerk of the Board, Title]
Title]

[Name of City/Town/County Attorney,
Title]

Commitment to Local Leveraged Funds/Resources

SAMPLE RESOLUTION

COMMITMENT OF LOCAL LEVERAGED FUNDS/RESOURCES

RESOLUTION NO. _____

A RESOLUTION OF THE [MAYOR AND CITY/TOWN COUNCIL OR BOARD OF SUPERVISORS] OF [NAME OF CITY/TOWN/COUNTY] COMMITTING LOCAL FUNDS AS LEVERAGE FOR AN FY _____ COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION(S).

WHEREAS, the [CITY/TOWN/COUNTY] has adopted Resolution Number _____ which authorizes submission of an application(s) to the State of Arizona, Department of Housing for Community Development Block Grant (CDBG) funds for FY _____; and

WHEREAS, that application indicates that [identify minimum amount of funds and/or resources] will be committed by the [CITY/TOWN/COUNTY] as leveraged funds, in the form of **cash or resources** to be used to implement Activity # _____. [ACTIVITY NAME]; and

WHEREAS, the CDBG Program requires that all local leveraged funds/resources be committed in the form of a resolution by the governing body, and that such a commitment contain an opinion by the applicant's legal counsel that the leveraged funds represent a binding commitment, legally enforceable under State laws,

NOW, THEREFORE, BE IT RESOLVED that the [Mayor and Council/Board of Supervisors] hereby commit [identify minimum amount of funds and/or resources] to the CDBG Program, to be used for the following: [ACTIVITY NAME], for [identify resources: engineering, inspection, equipment, employees, etc....], contingent upon the receipt of the FY _____ CDBG assistance; and that the [Mayor and Council/Board of Supervisors] of [Name of City/Town/County] hereby state that this commitment is legally binding based on the legal opinion of the [City/Town/County] attorney, and that such funds will be available for an audit at the termination of the grant, if so required by ADOH.

Passed and adopted by the [City/Town Council or Board of Supervisors] of [Name of City/Town/County] this [Day number] day of [Month], [Year].

[Name of Mayor or Chair of the Board of Supervisors and Title]
ATTEST:

APPROVED AS TO FORM:

[Name of City/Town Clerk or Clerk of the Board and Title]
Attorney and Title]

[Name of City/Town/County

Colonia

SAMPLE RESOLUTION

COLONIA
RESOLUTION NO.: _____

A RESOLUTION OF THE [MAYOR AND CITY/TOWN COUNCIL OR BOARD OF SUPERVISORS] OF THE [NAME OF CITY/TOWN/COUNTY] FINDING, CERTIFYING THAT AN AREA IS A COLONIA PURSUANT TO THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED, SECTION 916, AND AUTHORIZING AN APPLICATION FOR CDBG FUNDS TO MEET THE IDENTIFIED NEEDS OF THE COLONIA.

WHEREAS, the State Community Development Block Grant Program allows funds to be expended to address the needs of areas identified as Colonias; and

WHEREAS, the State of Arizona's Community Development Block Grant Program requires that an applicant requesting funds for an activity that will address the needs of a colonia, adopt a Resolution certifying that the area meets the statutory definition and identifying the colonia area where such funds will be expended; and

WHEREAS, the [City/Town/County] is applying for FY _____ State Community Development Block Grant funds for an activity that will address the needs of an area that is hereby certifying to meet the statutory definition of a colonia.

NOW, THEREFORE, BE IT RESOLVED THAT the [City/Town/County] finds, pursuant to the Housing and Community Development Act of 1974, as amended, Section 916, that the area described as [name of Colonia] and:

Bounded on the north by [north geographical boundaries], and
 Bounded on the east by [east geographical boundaries], and
 Bounded on the south by [south geographical boundaries], and
 Bounded on the west by [west geographical boundaries], is

a Colonia where State Community Development Block Grant funded activities designed to address the needs of the colonia will be carried out; and

THAT, the attached map further identifies the Colonia.

Passed and adopted by the [City/Town/County Board of Supervisors] of [Name of City/Town/County] Arizona this [day number] day of [month], [year].

 [Typed Name of Mayor/Chair of the Board of Supervisors and Title]

ATTEST:

APPROVED AS TO FORM:

 [name of City/Town Clerk or Clerk of the Board, Title]
 Title]

 [Name of City/Town/County Attorney,
 Title]

Adoption of Owner Occupied Housing Rehabilitation Guidelines

SAMPLE RESOLUTION

ADOPTION OF OWNER OCCUPIED HOUSING REHABILITATION GUIDELINES

RESOLUTION NO.: _____

A RESOLUTION OF THE [CITY/TOWN/COUNTY BOARD OF SUPERVISORS] OF [CITY/TOWN/COUNTY] AUTHORIZING THE ADOPTION OF OWNER OCCUPIED HOUSING REHABILITATION GUIDELINES DATED [month, day, year] IN RELATION TO [CDBG "Contract #" or "An Application for"] FY STATE COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR A OWNER OCCUPIED HOUSING REHABILITATION ACTIVITY.

WHEREAS, the [City/Town/County] of [name of City/Town/County] is desirous of undertaking an owner occupied housing rehabilitation program; and

WHEREAS, this program (is/is anticipated to be) funded with Community Development Block Grant Program (CDBG) funds provided by the State of Arizona CDBG Program, and

WHEREAS, the State CDBG Program requires that every local government requesting CDBG funds for housing rehabilitation adopt specific guidelines for such a program; and

WHEREAS, the [City/Town/County] of [name of City/Town/County] has developed such owner occupied housing rehabilitation guidelines (HRGs), dated [month, day, year] which have been pre-approved by the CDBG Program;

NOW, THEREFORE, BE IT RESOLVED THAT the [City/Town Council/County Board of Supervisors] of [name of City/Town/County] hereby adopts such HRGs, dated [month, day, year], which shall be used to implement its CDBG-funded housing rehabilitation program funded through [CDBG "Contract #" or "An Application for"] FY funds; and

THAT, the [City/Town/County] of [name of City/Town/County] shall utilize such HRGs, without revisions, except such authorized by the chief elected official or a person authorized in writing to approve such revisions via the CDBG Program's CD-1 Form; with such revisions submitted to the CDBG Program within a maximum of 10 working days of authorization.

Passed and adopted by the [City/Town/County Board of Supervisors] of [City/Town/County] Arizona this [day number] day of [month], [year].

[Typed Name of Mayor/Chair of the Board of Supervisors and Title]

ATTEST:

APPROVED AS TO FORM:

[name of City/Town Clerk or Clerk of the Board, Title]

[Name of City/Town/County Attorney, Title]

Adoption of Privately Owned Rental Housing Rehabilitation Guidelines

SAMPLE RESOLUTION

ADOPTION OF PRIVATELY OWNED RENTAL HOUSING REHABILITATION GUIDELINES

RESOLUTION NO.: _____

A RESOLUTION OF THE [CITY/TOWN/COUNTY BOARD OF SUPERVISORS] OF [CITY/TOWN/COUNTY] AUTHORIZING THE ADOPTION OF PRIVATELY OWNED RENTAL HOUSING REHABILITATION GUIDELINES DATED [month, day,year] IN RELATION [CDBG "Contract #" or "An Application for"] FY STATE COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR A RENTAL HOUSING REHABILITATION ACTIVITY.

WHEREAS, the [City/Town/County] of [name of City/Town/County] is desirous of undertaking a rental housing rehabilitation program; and

WHEREAS, this program (is/is anticipated to be) funded with Community Development Block Grant Program (CDBG) funds provided by the State of Arizona CDBG Program, and

WHEREAS, the State CDBG Program requires that every local government requesting CDBG funds for rental housing rehabilitation adopt specific guidelines for such a program; and

WHEREAS, the [City/Town/County] of [name of City/Town/County] has developed such privately owned rental housing rehabilitation guidelines (R-HRGs), dated [month, day,year] which have been pre-approved by the CDBG Program;

NOW, THEREFORE, BE IT RESOLVED THAT [City/Town Council/County Board of Supervisors] of [name of City/Town/County] hereby adopts such R-HRGs, dated [month, day,year], which shall be used to implement its CDBG-funded housing rehabilitation program funded through [CDBG "Contract #" or "An Application for"] FY ; and

THAT, the [City/Town/County] of [name of City/Town/County] shall utilize such R-HRGs, without revisions, except such authorized by the chief elected official or a person authorized in writing to approve such revisions via the CDBG Program's CD-1 Form; with such revisions submitted to the CDBG Program within a maximum of 10 working days of authorization.

Passed and adopted by the [City/Town/County Board of Supervisors] of [City/Town/County] Arizona this [day number] day of [month], [year].

[Typed Name of Mayor/Chair of the Board of Supervisors and Title]

ATTEST:

APPROVED AS TO FORM:

[name of City/Town Clerk or Clerk of the Board, Title]

[Name of City/Town/County Attorney, Title]

Adoption of Homeownership Assistance Guidelines

SAMPLE RESOLUTION

ADOPTION OF HOMEOWNERSHIP ASSISTANCE GUIDELINES

RESOLUTION NO.: _____

A RESOLUTION OF THE [city/town/county board of supervisors] OF [city/town/county] AUTHORIZING THE ADOPTION OF HOMEOWNERSHIP ASSISTANCE GUIDELINES DATED [month,day,year] IN RELATION TO [CDBG "Contract #" or "An Application for"] FOR FY STATE COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR A COMMERCIAL REHABILITATION ACTIVITY.

WHEREAS, [Name of City/Town/County] is desirous of undertaking a homeownership assistance program; and

WHEREAS, This program [is/is anticipated to be] funded with Community Development Block Grant Program (CDBG) funds provided by the State of Arizona CDBG Program, and

WHEREAS, the State CDBG Program requires that every local government requesting CDBG funds for commercial rehabilitation adopt specific guidelines for such a program; and

WHEREAS, the [Name of City/Town/County] has developed such homeownership assistance guidelines (HAGs), dated [month, day,year] which have been pre-approved by the CDBG Program;

NOW, THEREFORE, BE IT RESOLVED THAT the [City/Town/County Board of Supervisors] of [Name of City/Town/County] hereby adopts such HAGs, dated [month, day,year], which shall be used to implement its CDBG-funded homeownership assistance program funded through [CDBG "Contract #" or "An Application for"] FY and

THAT, the [city/tow/county] of [Name of City/Town/County] shall utilize such HAGs, without revisions, except such authorized by the chief elected official or a person authorized in writing to approve such revisions via the CDBG Program's CD-1 Form; with such revisions submitted to the CDBG Program within a maximum of 10 working days of authorization.

Passed and adopted by the [City/Town/County Board of Supervisors] of [City/Town/County] Arizona this [day number] day of [month], [year].

[Typed Name of Mayor/Chair of the Board of Supervisors and Title]

ATTEST:

APPROVED AS TO FORM:

[name of City/Town Clerk or Clerk of the Board, Title]

[Name of City/Town/County Attorney, Title]

Adoption of Commercial (and Industrial) Rehabilitation Guidelines

SAMPLE RESOLUTION

ADOPTION OF COMMERCIAL (AND INDUSTRIAL) REHABILITATION GUIDELINES

RESOLUTION NO.: _____

A RESOLUTION OF THE [City/Town/County Board of Supervisors] OF [City/Town/County] AUTHORIZING THE ADOPTION OF PRIVATELY OWNED RENTAL HOUSING REHABILITATION GUIDELINES DATED [month, day,year] IN RELATION TO [CDBG "Contract #" or "An Application for"] FY STATE COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR A COMMERCIAL REHABILITATION ACTIVITY.

WHEREAS, [Name of city/town/county] is desirous of undertaking a commercial (industrial) rehabilitation program; and

WHEREAS, This program [is/is anticipated to be] funded with Community Development Block Grant Program (CDBG) funds provided by the State of Arizona CDBG Program, and

WHEREAS, the State CDBG Program requires that every local government requesting CDBG funds for commercial rehabilitation adopt specific guidelines for such a program; and

WHEREAS, the [Name of city/town/county] has developed such commercial rehabilitation guidelines (CRGs), dated [month, day,year] which have been pre-approved by the CDBG Program;

NOW, THEREFORE, BE IT RESOLVED THAT the [City/Town/County Board of Supervisors] of [City/Town/County] hereby adopts such CRGs, dated [month, day,year], which shall be used to implement its CDBG-funded commercial (industrial) rehabilitation program funded through [CDBG "Contract #" or "An Application for"] FY and

THAT, the [City/Town/County] of [Name of city/town/county] shall utilize such CRGs, without revisions, except such authorized by the chief elected official or a person authorized in writing to approve such revisions via the CDBG Program's CD-1 Form; with such revisions submitted to the CDBG Program within a maximum of 10 working days of authorization.

Passed and adopted by the [City/Town/County Board of Supervisors] of [City/Town/County] Arizona this [day number] day of [month], [year].

[Typed Name of Mayor/Chair of the Board of Supervisors and Title]

ATTEST:

APPROVED AS TO FORM:

[name of City/Town Clerk or Clerk of the Board, Title]

[Name of City/Town/County Attorney, Title]

Interim Assistance Alleviate Emergency Conditions

SAMPLE RESOLUTION

INTERIM ASSISTANCE – ALLEVIATE EMERGENCY CONDITIONS

RESOLUTION NO.: _____

A RESOLUTION OF THE [MAYOR/COUNCIL/BOARD OF SUPERVISORS] THE [TOWN/CITY/COUNTY] CERTIFYING THAT FUNDS FOR INTERIM ASSISTANCE WILL BE REQUESTED FROM THE STATE OF ARIZONA DEPARTMENT OF HOUSING TO ALLEVIATE EMERGENCY CONDITIONS THAT THREATEN PUBLIC HEALTH AND SAFETY CONDITIONS.

WHEREAS, the [City/Town/County] of [name of City/Town/County] has adopted Resolution Number _____ that authorizes submission of an application to the Arizona Department of Housing for FY _____ Community Development Block Grant (CDBG) funds for [name of actual activity]; and

WHEREAS, since adoption of said resolution and submission of said application, conditions beyond the control of the [City/Town/County] have occurred relating to [name, describe emergency condition]; and

WHEREAS, the regulations which govern the State of Arizona’s CDBG Program require that actions that meet the definition of Interim Assistance must exhibit objectively determinable signs of physical deterioration, that the [City/Town/County] must determine, via a resolution that immediate action is necessary to arrest that deterioration, that permanent improvements will be carried out as soon as practicable; and that such interim actions shall be limited to the extent necessary to alleviate the emergency conditions

NOW, THEREFORE, BE IT RESOLVED that the [City/Town Council/County Board of Supervisors] of [name of City/Town/County] hereby certify that [name, describe emergency condition] qualifies as Interim Assistance because it meets all of the requirements stated above.

Passed and adopted by the [City/Town/County Board of Supervisors] of [City/Town/County] Arizona this [day number] day of [month], [year].

[Typed Name of Mayor/Chair of the Board of Supervisors and Title]

ATTEST:

APPROVED AS TO FORM:

[name of City/Town Clerk or Clerk of the Board, Title]

[Name of City/Town/County Attorney, Title]

Amend Existing CDBG Program Application (deleting/adding/changing an activity)

SAMPLE RESOLUTION

**RESOLUTION TO AMEND EXISTING CDBG PROGRAM APPLICATION
(DELETING/ADDING/CHANGING AN ACTIVITY)**

RESOLUTION NO.: _____

A RESOLUTION OF THE [CITY/TOWN/COUNTY BOARD OF SUPERVISORS] OF [CITY/TOWN/COUNTY] AUTHORIZING THE SUBMISSION OF AN AMENDMENT TO ARIZONA DEPARTMENT OF HOUSING.

WHEREAS, the [City/Town/County] of [name of City/Town/County] has submitted an application with the Arizona Department of Housing to perform certain duties funded by Community Development Block Grant funds; and

WHEREAS, said Application is known as CDBG Contract No. _____; and

WHEREAS, the [City/Town/County] of [name of City/Town/County] will [delete/add/change] Activity #2 - [name, description of activity2]; and

WHEREAS, the [City/Town/County] of [name of City/Town/County] now wishes to [insert description of change to application]. {For example, when deleting an activity, insert language such as "now wishes to suspend the (activity description) until further funds can become available and therefore transfer the funds applied for within this Application, in the amount of \$ _____ to the CDBG Application/Contract No. _____, activity description."}

NOW, THEREFORE, BE IT RESOLVED THAT the [City/Town/County] of [name of City/Town/County] authorizes submission of a request for such an amendment of said Application.

Passed and adopted by the [City/Town/County Board of Supervisors] of [City/Town/County] Arizona this [day number] day of [month], [year].

[Typed Name of Mayor/Chair of the Board of Supervisors and Title]

ATTEST:

APPROVED AS TO FORM:

[name of City/Town Clerk or Clerk of the Board, Title]
Attorney, Title]

[Name of City/Town/County

Legally Binding Commitment Determination

SAMPLE

LEGALLY BINDING COMMITMENT DETERMINATION

In my capacity as the attorney for the [name of applicant, i.e. "City of Anytown"], I have determined that the [date and description of document, i.e. letter, minutes, etc.] signed by [name] of the [name of organization], located at [address] which is a [legal form of organization] committing \$_____ to the [name of applicant community] to assist in the completion of the [name of CDBG project]

[Description]

Contingent upon the [name of applicant, i.e. "City of Anytown"], receiving a CDBG grant in the amount of \$_____ is a legally binding commitment enforceable under the laws of the State of Arizona and the ordinances of the [name of applicant community] .

Signature

Date

Typed Name and Title

Attestation:

CDBG APPLICATION AND FORMS

CDBG Application Instructions

1. Submit one (1) application per City or Town UGLG (two (2) only with approved waiver for Public Service or Planning Only Grant approved by ADOH) or up to three (3) per county for Regional Account. Submit one (1) application per SSP NOFA or Colonias Set Aside NOFA.
2. When submitting application, include CDBG Application Forms 1 through 5 and all required support documentation per instructions.
3. All pages in the application including support documentation are to be numbered consecutively.
4. Include “before” picture(s).

Map Instructions

ALL APPLICANTS MUST SUBMIT MAPS CONTAINING THE FOLLOWING INFORMATION:

The application must contain:

- A copy of the United States Census Tract (CT)/Block Group (BG) map. (These maps are available at www.census.gov).
- A copy of the service area map
- A copy of the project location map

Maps must identify:

1. City, Town or County (as appropriate) with Census Tract (CT) and Block Group (BG) boundaries if an LM Area-wide Benefit activity.
2. The project location map must indicate the projects: a) relationship to the corporate boundaries of the applicant unit of local government; and b) relationship to easily identifiable landmarks, such as streets, schools, highways, rivers, etc.
3. The Service Area (SA) of each activity. The SA map(s) should include narrative of the square miles and borders to the north, south, east and west to help describe the SA. It may also be helpful to include their location to the nearest urban-center.
4. The designated Redevelopment (Slum/Blight) Target Area, if applicable.
5. The Colonias boundary, if applicable.

6. The Neighborhood Revitalization Strategy boundary, if applicable.

General Guidelines:

1. Maps should be submitted on eight and one-half by eleven (8 1/2 x 11) inch paper. Colored maps are preferred.
2. Maps must compliment the narrative description of the SA indicated in the application form. All landmarks, whether natural (rivers or mountain ranges) or created (schools, parks, highways, national forest boundaries, government buildings, industrial parks, railroads, museums, fairgrounds), and patterns (traffic, zoning, commercial or residential) MUST be identified on the map.
3. A legend using colors or various designs is recommended. Commercial buildings or areas that are non-residential should be marked.
4. The person preparing the map must start with the assumption that CDBG Program staff are unfamiliar with the area and will need to visualize all the information provided in narrative form. Staff should be able to drive into the community and locate the activity and the service area based on the map. Thus, street names will need to be plainly visible on the map. These can be handwritten or included on the side, with explanatory letters or symbols on the map itself.

Summary of Forms

Form 1. Application Checklist	
Form 2. Application Cover Sheet	
Form 3. Budget Summary	
Form 4. Description and Objective	
Form 5. Project Timeline	
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ALL pages in the application are to be numbered consecutively. If a page is inserted after the initial numbering has been done, it can be shown as “page 11.a”. or “15.a.b.c. etc.” to avoid renumbering pages. A section labeled Miscellaneous with no subheadings is **not** acceptable

CDBG Disclosure Report



Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531, P.L. 101-235 approved 12-15-89) and HUD implementing regulations at 24 CFR Part 12 contain disclosure requirements for State CDBG Applicants and Recipients. Subpart C of 24 CFR Part 12 requires Applicants for state-administered CDBG funds to make a number of disclosures if they meet a dollar threshold for the receipt of certain covered assistance. **All Applicants applying for ADOH CDBG funds must complete this CDBG Disclosure Report and submit with their application.**

Applicant: _____

CDBG RA for FFY _____ SSP for FFY _____

**CDBG DISCLOSURE REPORT
FEDERAL FISCAL YEAR
10/1/[year]- 9/30/[year]**

This form must be completed and submitted with each application for CDBG funds.

PART I - APPLICANT INFORMATION

1. Applicant, Complete Address with 9-digit zip code (zip plus 4):

2. Phone Number:

2. Federal Employer Identification Number:

3. Indicate whether this is: Initial Report Update Report # _____

4. Amount of this CDBG Grant Applied for: \$

PART II - THRESHOLD DETERMINATION

1. Is the amount listed in 4(above) more than \$500,000? Yes No

2. Have you received, can reasonably expect to receive, or applied for other HUD assistance (through programs listed in Appendix A of the Instructions) during the current federal fiscal year, which when added to 4. (above) amounts to more than \$500,000? Yes No

CDBG Disclosure Report (continued)

DISCLOSURE REPORT INSTRUCTIONS

All communities receiving CDBG grants must complete and submit the Disclosure Report with the application
Note that no contract will be issued until the CDBG Program receives a completed Disclosure Report.

PART I - GRANTEE INFORMATION

Complete information requested.

Updated reports are required if:

- Information was omitted from the initial report;
- Additional interested parties are identified (unless such are identified through other documents such as those relating to the procurement process);
- A person or entity's pecuniary interest has increased;
- Government assistance has increased by \$250,000 or 10% (whichever is lower);
- There is a change in the source and/or use of funds that exceeds the amount of all previously disclosed sources and/or uses of funds by \$250,000 or 10% (whichever is lower).

PART II - THRESHOLD DETERMINATION

Complete information requested.

PART III - OTHER GOVERNMENT ASSISTANCE PROVIDED/APPLIED FOR

Complete information requested.

PART IV - INTERESTED PARTIES

Interested parties are those persons and entities with a reportable pecuniary interest in the project. A *pecuniary interest means any financial involvement* in the project, including such situations in which a person or entity:

- Has an equity interest in the project,
- Shares in any profit or resale;
- Shares in any distribution of cash surplus or other assets of the project;
- Receives compensation for any goods or services provided in connection with the project. (Exception: if compensated as a result of a competitive procurement process.)

(The following are not considered interested parties: local CDBG administrative staff, recipients of housing rehab assistance, and rehab contractors as long as the rehab agreement is between the property owner and the contractor.)

CDBG Disclosure Report (continued)

If an entity is disclosed, the information provided in Part IV must include the identification of each officer, director, principal stockholder or other official of the entity.

Applicants/grantees may not be aware of all interested parties when completing this report. If, as the project is implemented, the grantee becomes aware of other interested parties, it should submit an updated Disclosure Report.

PART V - EXPECTED SOURCES AND USES OF FUNDS

Note that this section must include all other assistance identified in Part III as well as the CDBG funds.

Describe the "Uses of Funds" in general terms - do not provide line item budget information.

PART VI - CERTIFICATION

Have Chief Elected Official sign and date form.

Original must be included with application.

*CDBG Disclosure Report (continued)***APPENDIX A**

The following HUD programs are considered "covered assistance" for purposes of the Disclosure Report. All applicants for CDBG funds must review this list to determine if they are receiving or can reasonably expect to receive assistance from any of these covered sources in determining whether they reach the threshold (Part II). Applicants must consider: a) ALL CDBG funds for which they will apply, both RA and all SSPs; b) ALL other "covered assistance" whether received directly from HUD or through the State, e.g., ADOH or DES.

NOTE: This list does NOT include the HOME program.

1. Section 312 Rehab Loans under 24 CFR Part 510 except loans for single-family properties
2. Rental Rehabilitation Grant Programs
3. Specific projects or activities under Title I of the Housing and Community Development Act of 1974 to:
 - a) HUD for a Special Purpose Grant
 - b) HUD for a loan under 24 CFR Part 470, Subpart M
 - c) HUD for a grant to an Indian tribe under Title I
 - d) HUD for a grant under the HUD administered Small Cities program; and
 - e) A state or unit of general local government for CDBG**
4. Emergency Shelter Grants (specific project or activity), under 24 CFR part 576
5. Transitional Housing under 24 CFR part 577
6. Permanent Housing for Handicapped Homeless Persons under 24 CFR part 578
7. Section 8 Housing Assistance Payments (only project-based housing under the Existing Housing and Moderate Rehab Programs under 224 CFR part 88 but including the Moderate Rehabilitation Program for Single Room Occupancy Dwellings for the Homeless under Subpart H)
8. Section 9 Housing Assistance Payments for Housing for the elderly or handicapped under 24 CFR part 855
9. Loans for Housing for the Elderly or Handicapped including operating assistance for Housing for the Handicapped under Section 162 of the Housing and Community Development Act of 1987 and Seed Money Loans under Section 106(b) of the Housing and Urban Development Act of 1968
10. Section 8 Housing Assistance Payments, Special Allocations under 24 CFR part 886
11. Flexible Subsidy under 25 CFR part 219, both Operating Assistance under Subpart B and Capital Improvement Loans under Subpart C
12. Low Rent Housing Opportunities under 24 CFR part 904
13. Indian Housing under 24 CFR part 905
14. Public Housing Development under 24 CFR art 942
15. Comprehensive Improvement Assistance under 24 CFR part 968
16. Resident Management under 24 CFR part 964, Subpart C
17. Neighborhood Development Demonstration under Section 123 of the Housing and Urban Rural Recovery Act of 1983

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CDBG Disclosure Report (continued)

18. Nehemiah Grants under 24 CFR part 280
19. Research and Technology Grants under Title V of the Housing and Urban Development Act of 1970
20. Congregate Services under the Congregate Housing Services Act of 1978
21. Counseling under Section 106 of the Housing and Urban Development Act of 1968
22. Fair Housing Initiatives under 24 CFR part 125
23. Public Housing Drug Elimination Grants under Section 5129 of the Anti Drug Abuse Act of 1988
24. Fair Housing Assistance under 24 CFR part 111
25. Public Housing Early Childhood Development Grants under Section 222 of the Housing and Urban Rural Recovery Act of 1983
26. Mortgage Insurance under 24 CFR Subtitle B, chapter II (only multifamily and non residential)
27. Supplemental Assistance for Facilities to Assist the Homeless under 24 CFR part 57928. Shelter Plus Care Assistance under Section 837 of the Cranston Gonzales National Affordable Housing Act
29. Planning and Implementation Grants for HOPE for Public and Indian Housing Homeownership under Title IV, Subtitle A of the Cranston-Gonzales National Affordable Housing Act
30. Planning and Implementation Grants for HOPE for Homeownership of Multifamily Units under Title IV, Subtitle B of the Cranston-Gonzales National Affordable Housing Act
31. HOPE for Elderly Independence Demonstration under section 803 of the Cranston-Gonzales National Affordable Housing Act.

Form 1 - CDBG Application Checklist

	<p>COMMUNITY DEVELOPMENT BLOCK GRANT</p> <p>Checklist</p> <p>FORM 1</p>	
<p>1. Applicant: _____ 2. Activity Name: _____</p>		
<p><input type="checkbox"/> CDBG Application (Forms 2 through 5)</p> <p><input type="checkbox"/> Project Location Maps <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> Project Service Area (area of benefit) Maps <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> Public Participation Documentation <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> Resolution to Apply <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> Colonia Resolution (if applicable) <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> Leverage Resolution (if applicable) <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> Slum/Blight Resolution (if applicable) <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> Relocation Assistance Resolution (if applicable)* <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> Special Survey (if applicable) <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> American Community Survey/Census Data <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> Neighborhood Revitalization Strategy (NRS) Resolution (if applicable) <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> NRS Approval <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> Housing Rehabilitation Guidelines Approval (if applicable) <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> Environmental Review Record (ERR) and Approval (if completed) <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> CDBG Application Certifications (after upload to CDBG Portal, original to be mailed to ADOH) <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> Disclosure Report (after upload to CDBG Portal, original to be mailed to ADOH) <i>Attached as page(s)</i> _____</p> <p><input type="checkbox"/> Other: _____ <i>Attached as page(s)</i> _____ <small>(insert document title)</small></p> <p><input type="checkbox"/> Other: _____ <i>Attached as page(s)</i> _____ <small>(insert document title)</small></p> <p><input type="checkbox"/> Other: _____ <i>Attached as page(s)</i> _____ <small>(insert document title)</small></p> <p><input type="checkbox"/> Other: _____ <i>Attached as page(s)</i> _____ <small>(insert document title)</small></p>		
<p><small>* If project involves acquisition, demolition of an occupied structure, eminent domain, or displacement/relocation of persons you will be required to have a Relocation Assistance Plan and adopt a Relocation Assistance Resolution.</small></p>		

Form 2 - CDBG Application Cover Sheet

	<p>COMMUNITY DEVELOPMENT BLOCK GRANT</p> <p>Application Cover Sheet</p> <p>FORM 2</p>			
<input type="checkbox"/> A. Regional Account (RA) COG: _____ <input type="checkbox"/> B. State Special Project (SSP)				
<input type="checkbox"/> C. Colonias <input type="checkbox"/> D. NRS - Date Approved: _____				
Approval on Page: _____				
1. Applicant: _____ DUNS Number: _____	2. Congressional District: _____ Legislative District: _____			
3. Applicant Address (including 9 digit zip code): _____				
4. Contact Person & Title (Grantee): _____ Phone Number / E-mail: _____	5. Contact Person & Title (COG/Other): _____ Phone Number / E-mail: _____			
6. Complete the following information for the activities for which you are requesting funds in a single contract.				
a. Activity Name	b. CDBG Funds	c. Non-CDBG Funds (Leverage)	d. Fund Type	e. Total Funds
1. Administration				\$0
2. _____				\$0
7. Total CDBG Funds Request for this Project (Activities #1 and #2):				\$0
8. Certification: To the best of my knowledge and belief, data in this application is true and correct, the document has been duly authorized by the governing body of the application, and the applicant will comply with the attached Certifications if the assistance is approved.				
Signature of the Chief Elected Official: _____		Date: _____		
Name: _____		Title: _____		

Form 2 - CDBG Application Cover Sheet (continued))

Application Cover Sheet**FORM 2**

- A., B., and C. Indicate whether this application is to a Regional Account, SSP or to the Colonias set-aside. If to a Regional Account, indicate which COG by name (NACOG, WACOG, CAG or SEAGO).
- D. Indicate if the application includes a Neighborhood Revitalization Strategy (NRS). An NRS must be approved **before** the application is submitted and the application must include a copy of the approval letter from ADOH.

LINE ITEM INSTRUCTIONS

1. Provide the name of the Applicant Unit of Local Government and the DUNS Number.
2. Indicate the Congressional (federal) and Legislative (state) district(s) in which your community is located.
3. Provide the complete mailing address, including the full nine (9) digit zip code of the Applicant.
4. Enter the name, title, telephone number, and e-mail address for a **Contact Person** who is a local government employee or elected official.
5. COG staff may be named if they are responsible for the administration of the contract/project. If so, enter the name, title, telephone number, and e-mail address.
- 6.a List only **ONE (1)** activity other than Administration. Please include a descriptive activity name (i.e. Public Works - Water Line Replacement; Neighborhood Facility - Senior Center Construction).
- 6.b Show the amount of CDBG funds requested for each activity. If Activity #1 (Administration) will not be funded with CDBG funds, enter "0" in the space.
- 6.c Show the total of all Non-CDBG Funds (Leverage) that will be necessary to complete the activity. *(Leverage must meet the definition in the specific COG's MOD (for an RA application) or the definition in the CDBG Application Handbook (for an SSP application) and must be tracked by the community.)*
- 6.d Indicate the type of funds (i.e. WIFA Loan, General Funds, In-kind Labor, etc.). Include a copy of either an adopted resolution or legally binding commitment to support the guarantee of other funds.
- 6.e Total of 6b. and 6c. for each activity.
7. Show the total amount of **CDBG funds** from the two (2) activities listed in #6.
8. Only the Chief Elected Official or other individual **as authorized by the governing body of the applicant** in the Resolution to Submit an Application for CDBG funds can provide this signature, name, title, and date.

Form 3 - Budget Summary

	<p>COMMUNITY DEVELOPMENT BLOCK GRANT</p> <p>Budget Summary - Administration</p> <p>FORM 3</p>		
<p>1. Applicant: _____ 2. Activity Name: _____</p>			
ITEM	a. CDBG Funds	b. Non-CDBG Funds (Leverage)	c. TOTAL
3. TAAP. Total costs for COG Technical Assistance and Application Preparation (as per local government/COG agreement)			\$0
4. Internal Staffing	Rate of Pay	Hours	
4.1 Position: _____			\$0
4.2 Position: _____			\$0
4.3 Position: _____			\$0
5. Professional Services (contractual - i.e. COG, grant writer, consultant, estimator, etc.)			
5.1 For: _____			\$0
5.2 For: _____			\$0
5.3 For: _____			\$0
5.4 For: _____			\$0
6. Travel			\$0
7. Office Supplies and Equipment			\$0
8. Advertising/Publications (application related)			\$0
9. Indirect Costs (% documented by copy of approved Indirect Cost Allocation Plan)			\$0
10. Other Administrative Operating Expenses (<i>specify</i>)			
10. Item 1: _____			\$0
10. Item 2: _____			\$0
10. Item 3: _____			\$0
10. Other (Fair Housing, Section 504, etc.) (page			\$0
SUBTOTAL - Administration	\$0	\$0	\$0

Form 3 - Budget Summary (continued)

	COMMUNITY DEVELOPMENT BLOCK GRANT Budget Summary - Project Related FORM 3		
ITEM	a. CDBG	b. Non-CDBG (Leverage)	c. TOTAL
11. Environmental Review Record (ERR)			\$0
12. Design/Engineering/Inspection (or other professional services related to project) <input type="checkbox"/> Previously procured (attached as page ____) <input type="checkbox"/> Procure <input type="checkbox"/> In-House			\$0
13. Contracted Construction Work			\$0
14. Fixed Asset Equipment (documentation must be attached as page ____ regarding usage rate, number of hours to be used, type of equipment, etc.)			\$0
15. Land Acquisition (includes easements; <i>must comply with the Uniform Relocation Act</i>)			\$0
16. Rehabilitation Services (if this exceeds 20% of the total activity costs, explanation attached as page ____) <input type="checkbox"/> Procure <input type="checkbox"/> In-House			\$0
17. Construction Materials (non-contracted or in-house)			\$0
18. Employees (documentation must be attached as page ____ regarding employees' names, titles, project duties, wages, number of hours)			\$0
19. Offender Labor (agreement attached as page ____)			\$0
20. Volunteer Labor			\$0
21. Equipment - Rent vs. Purchase (documentation must be attached as page ____ regarding usage rate, number of hours to be used, type of equipment, etc.)			\$0
22. Other Project Specific Expenses (attached as page ____)			\$0
SUBTOTAL - Project Related	\$0	\$0	\$0
GRAND TOTAL	\$0	\$0	\$0
23. Provide a narrative explanation on the source of funds listed in Column b.			

Form 3 - Budget Summary (continued)

Budget Summary

FORM 3

1. Provide the name of the Applicant Unit of Local Government.
2. Provide the name of the activity.
3. Show **ONLY** the costs of Technical Assistance and Application Preparation (TAAP) provided by the COG.
4. Show the title of the position, the hourly rate of pay, and the number of hours dedicated to the application preparation and administering the activities in this application (i.e. Town Clerk / \$20.00 / 200 hours; Accountant / \$35.00 / 100 hours). In Column 4a, enter the amount of internal staff pay that will be attributed to the CDBG funds. In Column 4b, enter the amount of internal staff pay that will be attributed to Non-CDBG (Leverage) funds.
5. Show the amounts to be expended on contracted services. These items cover those services generally provided under a professional services contract or letter of agreement for administration of the grant (i.e. legal or accounting services, COG grant administration, audits).
6. & 7. Indicate the amounts necessary to administer the activities in this application.
8. Show the amount for the required newspaper advertising; the cost of Public Participation Notices and advertisement for application preparation.
9. 2CFR200 allows for the charging of certain indirect costs to the CDBG program. The applicant must submit a copy of the approved Indirect Cost Allocation Plan with the application.
10. Describe all costs related to the application for, and administration of, THIS specific application including those associated with Fair Housing and Section 504. **NOTE: If these costs will exceed \$1,000, attach a separate detailed budget and reference the page number.**
 - Examples of costs to "affirmatively further fair housing include preparation of an Analysis to Impediments or a Fair Housing brochure, publicity relating to fair housing activities, and travel expenses for consultants to present fair housing programs.
 - Examples of Section 504 costs include time devoted to updating a self-evaluation and transition plan, publication of notices, and outreach mailings. These costs can even include the purchase of small items of equipment such as door handles, a drinking cup dispenser, and appropriate signage.
 - Examples of other costs include subscriptions, postage, telephone, vehicle expenses, insurance, education/training, and registration fees.
11. Indicate the costs of preparing the Environmental Review Record (ERR). Costs could include staff time, postage, public notices or an archeological study. The ERR must encompass the entire "project" or all phases of a multi-year project regardless of the funding source if CDBG funds are involved in some aspect of the project. *Costs should be reasonable based on the level of environmental review and the hours required to prepare the record. For example, the total work hours required to complete an Environmental Assessment record is 40 to 50 hours on average.*

Form 3 - Budget Summary (continued)

12. Indicate the cost of this service and whether this service was or will be competitively procured, or if the service will be provided by applicant's staff.

NOTE: Unless the applicant's professional service provider was procured as follows, the applicant cannot use his/her services and will have to procure such services competitively.

- was competitively procured in compliance with CDBG Program requirements as provided in the *Procurement, Contracts and Acquisition Handbook*;
- documentation of previous procurement and contract must be provided to the CDBG Program;
- procurement took place within the last five (5) years;
- the procurement of the professional service was either specific to the services to be provided in this grant or inclusive of such services and any and all other services required by local government (i.e. if the engineer was procured ONLY to design the town's streets, his/her services cannot be used for the water system to be constructed with this grant unless the procurement also included water and other services.)

"In-house" is defined as a full or part time employee of the applicant who is on the applicant's payroll. A business, with its own tax ID, is not considered an "in-house" employee, even if it consists of just the one (1) individual working for the community.

13. This line is for construction work that will be competitively procured.
14. This line is for allowable fixed asset equipment usage costs that will be used for this project. For a local government's use of its own equipment, FEMA rates or documentation of low market rate through competitive process must be documented. (For FEMA rates, go to www.FEMA.gov or contact your CDBG Program Specialist.)
15. Acquisition includes permanent easements and long-term leases. Any applicant that intends to acquire land related to the proposed project (regardless of funding source), must indicate it here. By completing this section, the applicant documents whether there will be any acquisition ASSOCIATED with the CDBG-funded project (vs. paid for with CDBG funds), and if such will take place, the applicant agrees to comply with the Uniform Relocation Act (URA). See the *Procurement, Contracts & Acquisition Handbook* for detailed information about the URA.
16. Rehabilitation Services are generally limited to twenty percent (20%) of the total activity cost (not just the CDBG portion). If the amount will be significantly more or less than that amount, provide a rationale and identify the page number. Indicate if such services will be implemented by existing "in-house" staff or will be/have been competitively procured. *The same definition of "in-house" vs. "procured" applies as in Line 12.*
17. Indicate costs for construction materials and supplies to be used for activity completion that are not included in the contracted construction work.
- NOTE:** For amounts in excess of \$1,000, a separate budget detailing the quantities and descriptions must be included.
18. Indicate the cost paid by CDBG and non-CDBG dollars on this line item. Include an attachment, identified by page number, of in-house employees' names, titles, project duties, wage rate, and the number of hours of work.
19. Indicate the costs associated with offender labor. Include the Inter-governmental Agency (IGA).

Form 3 - Budget Summary (continued)

20. Indicate the costs associated with volunteer labor. Include letters of commitment for at least 125% of the needed volunteer labor. Include copy of volunteer plan.

21. Indicate cost of rented equipment to be used on the project. For equipment rental, obtain at least three (3) quotes for rates and select the lowest priced vendor.

22. Indicate other project specific costs not previously accounted for in other line items.

NOTE: For amounts in excess of \$1,000, a separate budget detailing the quantities and descriptions must be included.

23. Provide a narrative description of the non-CDBG funding listed in Column b including the name of the funding source and whether the funds are fully committed or applied for etc. If you require additional space, you may attach another page.

Form 4 - Activity Description and National Objective Compliance

	<p>COMMUNITY DEVELOPMENT BLOCK GRANT Activity Description and National Objective Compliance FORM 4</p>
<p>1. Applicant: _____ 2. Activity Name: _____</p>	
<p>3. Describe the Project Location and Service Area (area of benefit) (i.e. your project may be located in your community but only benefit a select neighborhood, street or group of people).</p> <div style="border: 1px solid black; height: 300px; width: 100%;"></div>	
<p>4. Project Location & Service Area (area of benefit) Map(s) attached as page(s): _____</p>	
<p>ACTIVITY DESCRIPTION/SCOPE OF WORK: Check eligible activity from the list below. Provide the narrative scope of work for the activity at 5. and the reason for the project at 6.</p>	
<input type="checkbox"/> Public Works <input type="checkbox"/> Public Service <input type="checkbox"/> Housing <input type="checkbox"/> Jobs	<input type="checkbox"/> Road/Street Improvements <input type="checkbox"/> Community Facility <input type="checkbox"/> Neighborhood Facility <input type="checkbox"/> Removal of Barriers (ADA)
<input type="checkbox"/> Acquisition <input type="checkbox"/> Demolition <input type="checkbox"/> Planning <input type="checkbox"/> Public Safety Facilities & Equipment	

Form 4 - Activity Description and National Objective Compliance (continued)

5. Activity Scope of Work. Describe the activity and the intended accomplishments. (Refer to the bulleted list in the instructions to be sure you include all necessary detail.)



Form 4 - Activity Description and National Objective Compliance (continued)

6. Why is the Project necessary? Describe in detail the problems, conditions, and other factors that indicate the need for the activity.



Form 4 - Activity Description and National Objective Compliance (continued)

NATIONAL OBJECTIVE COMPLIANCE

7. To be eligible for funding, the Project must fall under one (1) of the following National Objectives. Please check the category (only one (1)) that applies to this activity. If there are sub-categories under the chosen National Objective, select the appropriate sub-category.

Insert the following information in support of National Objective Compliance. (REQUIRED)

Census Tract _____ Block Group _____

Total Beneficiaries _____ Low-mod Beneficiaries _____ Low-mod % _____

- | | | |
|--------------------------------------------------------|--------------------------------------------------------|---------------------------------------------|
| <input type="checkbox"/> Low-Mod Income Benefit | <input type="checkbox"/> Slum or Blight Benefit | <input type="checkbox"/> Urgent Need |
| <input type="checkbox"/> Area Wide | <input type="checkbox"/> Target Area | |
| <input type="checkbox"/> Limited Clientele | <input type="checkbox"/> Spot | |
| <input type="checkbox"/> Housing | | |
| <input type="checkbox"/> Jobs | | |

Applicable support documentation (i.e. current LMISD or income survey or slum/blight resolution or federally declared disaster, etc.) attached as page _____.

(Please note: some projects types may require additional information such as service area demographics. You will be contact by your CD&R Specialist if further information is needed.)

8. Explain how the Activity meets the chosen National Objective.

*Form 4 - Activity Description and National Objective Compliance (continued)***Activity Description and National Objective Compliance****FORM 4**

1. Provide the name of the Applicant Unit of Local Government.
2. Provide the name of the activity.
3. Describe the project location and area of benefit. (Although a project location may be within the border of a community, it does not necessarily benefit every community member. If the project is housing, limited clientele, or public service, the area of benefit would describe the persons being served by the project.)
4. Attach project locations maps and indicate the page number in the application for the map(s) location(s).
5. Describe the activity scope of work and its intended accomplishments. The description must include the following components and contain both quantitative and narrative information.
 - Name and address of the project, including the nine (9) digit zip code;
 - Name of street(s), neighborhood, or building/facility, and address if a building or specific facility.
 - Name of unincorporated community and relationship to major landmarks, if applicable.
 - Indicate the dimensions and diameter of all major components of the proposed activity. If the project is extensive and has a number of components, prioritize those components.
 - Indicate the type of materials to be used for the proposed project.
 - Indicate if the activity will replace or provide new items.
 - Indicate the dimensions of the existing facility and the proposed expansion.
 - Provide the name and address of the sub-recipient, if applicable (i.e. Fire Improvement District).
 - List the owner/operator of the facility or equipment, if applicable.
 - Describe the population that will be served and the percentage of the population that is low-mod income.
 - Note whether the acquisition of land or easements is required.
 - Note whether the project will take place in existing Rights of Way.
 - If other funds are involved, detail how the costs associated to both CDBG and non-CDBG funds will be allocated.
 - Indicate if the facility is ADA accessible.
 - Documentation that life of the improvement will be extended at least five (5) years.
6. Describe the problems, conditions, and other factors that indicate a need for the activity. Include copies of Notices of Violation or similar documentation from regulatory agencies if it helps to describe problem and conditions.
7. Indicate the National Objective and its sub-category (if applicable) by checking the appropriate box and filling in the required information.
8. Describe in narrative form how the activity (scope of work) meets the selected National Objective.

Form 5 - Project Timeline (continued)

PROJECT TIMELINE/SCHEDULE OF COMPLETION

FORM 5

Time frames requested/indicated on Form 5 will be used to determine the length of the contract with ADOH that is appropriate to the activity type. Implementation components (project milestones) already completed and recipient capacity for implementing must be considered when developing the timeline.

A CDBG Project Timeline/Schedule of Completion is used to define the readily identifiable major events which must be accomplished to initiate and implement the CDBG-funded activity, and includes all tasks of the proposed activity, both CDBG funded and non-CDBG funded. The CDBG Project Timeline/Schedule of Completion will convey to the CDBG Program how the activity will proceed, and must show any dependent relationships with other activities.

All CDBG funds must be drawn down within the contract period. Each activity must be completed (i.e. a National Objective benefit achieved) within the contract time period. However, in some cases non-CDBG funded components of an activity may take longer to complete (i.e. the construction of new housing by a private developer or the creation of jobs by a business).

RECIPIENT INFORMATION: Beginning at Line 5, column B - complete the green shaded boxes with the requested information.

CONTRACT SCHEDULE/CONTRACT DATE/COMPLETE?: Beginning at Line 14 - insert the major events or components in Column A under the heading "Contract Schedule". Then insert the anticipated completion date for each of the major events or components in Column F under the heading "Contract Date". If an event or component of the CDBG Activity has already been completed (i.e. engineering, construction drawings, ERR), indicate the word YES in Column G under the heading "Complete?". If the event has not been completed, simply leave this column blank.

EXAMPLE CONTRACT SCHEDULE EVENTS OR COMPONENTS: Pre-award approval; procurement of engineer; ERR; engineering; easement acquisition; procurement of construction contractor; construction, etc. For further information please see the SAMPLES attached.

PROJECT TIMELINES SHOULD BE REALISTIC TO THE PROJECT TYPE: For example, procurement of equipment (i.e. walk-in freezer, fire truck, etc.) is usually about a twelve (12) month or less activity where street improvements (i.e. drainage, sidewalk, etc.) may take closer to twenty-four (24) months.

ADDITIONAL NARRATIVE INFORMATION: If additional space for entering major events or components of the project is needed, attach a separate page, identify it by number and reference it in the space provided at Line 28 of the spreadsheet. Other relative narrative information, if applicable, can also be included in this space. For example, if there is a relatively long time between milestones for some reason, this is where you should provide an explanation.

The Form 5 CDBG Project Timeline/Schedule of Completion will be translated onto the recipient's Performance Report/Schedule of Completion (Attachment B) to the Funding Agreement when awarded. Recipient will then use the Attachment B for bi-monthly reporting or for indicating any changes to the awarded activity's Project Timeline/Schedule of Completion.

Form 5 - Project Timeline (continued)



**SAMPLE
OOHR**

**FORM 5
CDBG PROJECT TIMELINE/SCHEDULE OF COMPLETION**

RECIPIENT INFORMATION			
Recipient	Town of Oz	Date	11/30/17
Project Schedule	From: 01/15/18 To: 12/31/19		
Activity	Owner Occupied Housing Rehabilitation		
Recipient Address	1234 South Whatever Street		
Contact Person	Suzie Expert	Project City	City of Oz
Phone	(999) 999-9999	Zip Code	85999
E-mail	susieexpert@mytown.gov	Fax	(999) 888-8888
		Project County	Your County
CONTRACT SCHEDULE			
Environmental Review Clearance		CONTRACT DATE	COMPLETE?
Contract Execution		01/15/18	
Completion of 4 units		03/31/18	
Completion of 8 units		09/30/18	
Completion of 12 units		04/30/19	
Project Complete-Contract Close Out		11/30/19	
		12/31/19	
ADDITIONAL NARRATIVE INFORMATION			

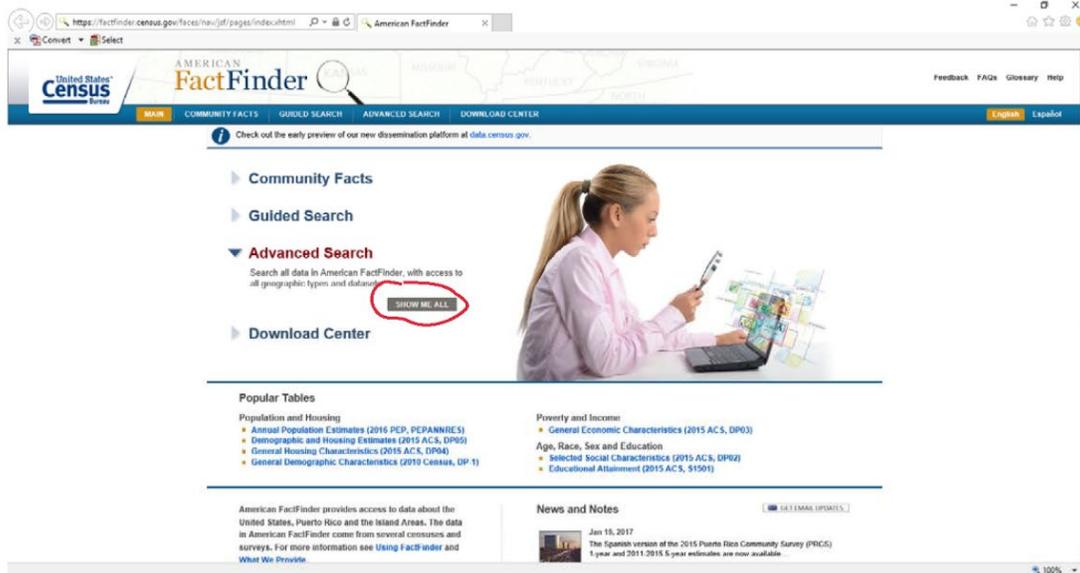
QT-P4 – Step by Step Instructions

How to Obtain a QT-P4 (Race and Ethnic Group data)

1. Go to American Factfinder website: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>
2. Click on “Advanced Search”

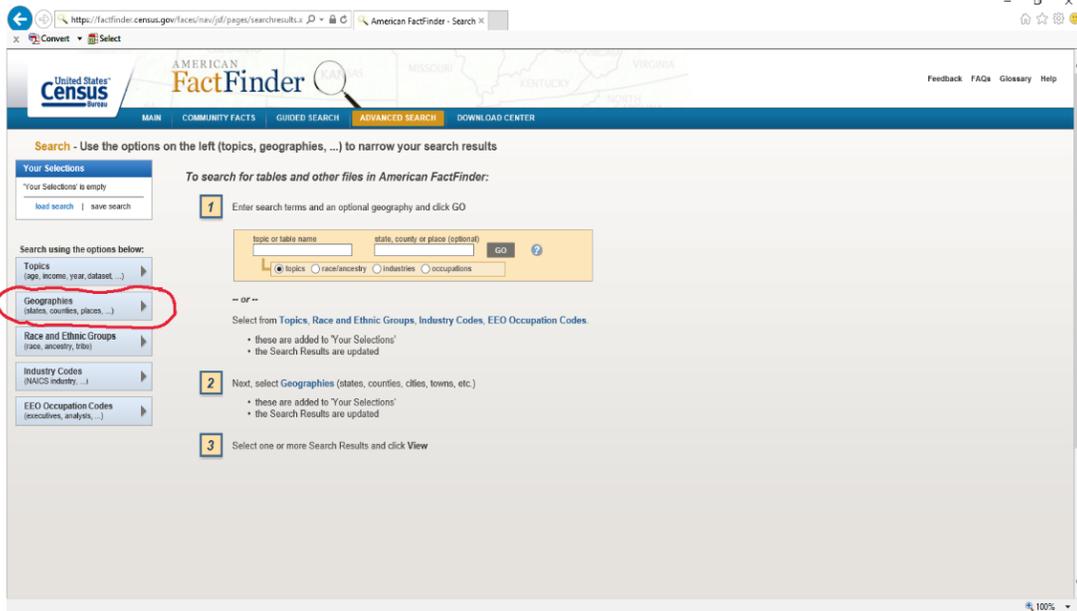


3. Advanced Search will change to red. Underneath click on the grey “Show Me All”.

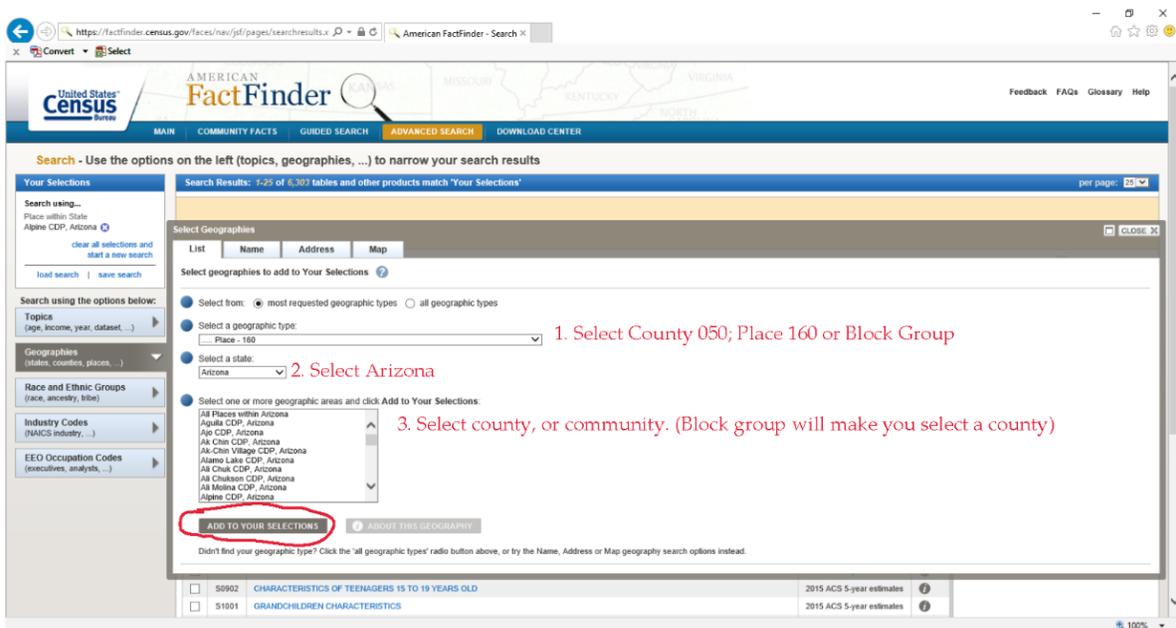


QT-P4 - Step by Step Instructions (continued)

4. From the list on the left Click on “Geographies”

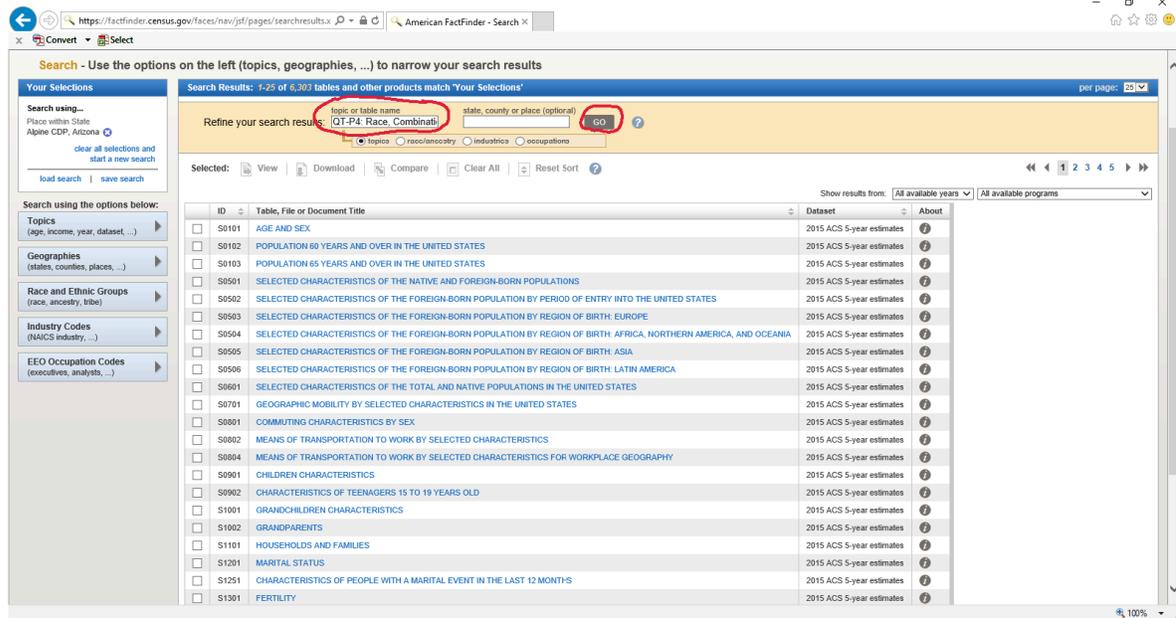


5. Select the lowest level Geographic Type for which you need data (i.e. County 050; Place 160 (community) or Block Group etc). Then Select Arizona. Select the appropriate County, Community, or Census Block Group for your project service area. Finally click the grey “Add to your selections” button.

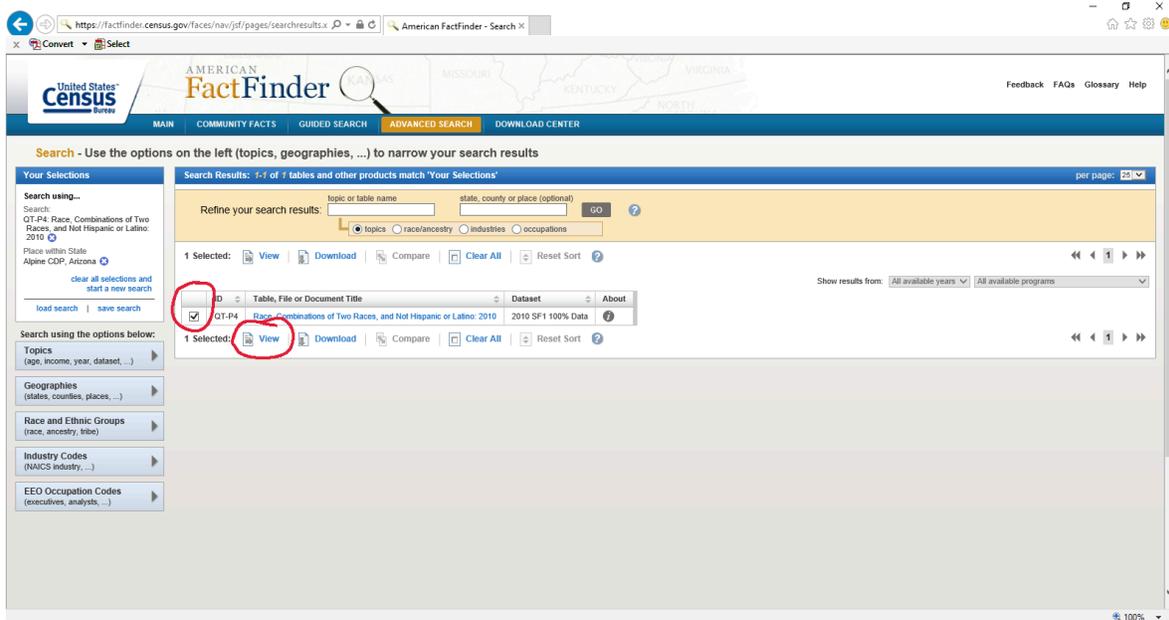


QT-P4 - Step by Step Instructions (continued)

6. Close the Select Geographies Box
7. At the Top of the Page next to "Refine your search results" type in QT-P4 you will get a drop down. Select the QT-P4 2010 and click the grey "Go" button.



8. You will get a table selection. Click the box next to the QT-P4 2010. Under the file selected hit the "View" button.



QT-P4 - Step by Step Instructions (continued)

9. This will pull up the data for your selected community, county, block group etc.

NOTE: For information on confidentiality protection, nonsampling error, and definitions, see <http://www.census.gov/prod/2010/docr1.pdf>.

Race	Total		Not Hispanic or Latino	
	Number	Percent	Number	Percent
Total population	145	100.0	136	100.0
One race	142	97.9	133	97.8
White	139	95.9	132	97.1
Black or African American	0	0.0	0	0.0
American Indian and Alaska Native	1	0.7	1	0.7
Asian	0	0.0	0	0.0
Native Hawaiian and Other Pacific Islander	0	0.0	0	0.0
Some Other Race	2	1.4	0	0.0
Two or More Races	3	2.1	3	2.2
Two races	3	2.1	3	2.2
White, Black or African American	0	0.0	0	0.0
White, American Indian and Alaska Native	3	2.1	3	2.2
White, Asian	0	0.0	0	0.0
White, Native Hawaiian and Other Pacific Islander	0	0.0	0	0.0
White, Some Other Race	0	0.0	0	0.0
Black or African American, American Indian and Alaska Native	0	0.0	0	0.0
Black or African American, Asian	0	0.0	0	0.0
Black or African American, Native Hawaiian and Other Pacific Islander	0	0.0	0	0.0
Black or African American, Some Other Race	0	0.0	0	0.0
American Indian and Alaska Native, Asian	0	0.0	0	0.0

10. Print a copy to provide as support documentation for your CDBG Application. If you are collecting data based on a CT Block Group you will it will give you the entire county. Once you get the data you will get an additional drop down list at the top of the data next to "Geography" where you can select your CT Block Group.

NOTE: For information on confidentiality protection, nonsampling error, and definitions, see <http://www.census.gov/prod/2010/docr1.pdf>.

Select the appropriate Block Group Census Tract from Drop Down

Race	Total		Not Hispanic or Latino	
	Number	Percent	Number	Percent
Total population	762	100.0	746	100.0
One race	757	99.3	742	99.5
White	9	1.2	7	0.9
Black or African American	1	0.1	1	0.1
Asian	747	98.0	734	98.4
Native Hawaiian and Other Pacific Islander	0	0.0	0	0.0
Some Other Race	0	0.0	0	0.0
Two or More Races	5	0.7	4	0.5
Two races	5	0.7	4	0.5
White, Black or African American	0	0.0	0	0.0
White, Asian	2	0.3	1	0.1
White, Native Hawaiian and Other Pacific Islander	0	0.0	0	0.0
White, Some Other Race	0	0.0	0	0.0
Black or African American, Asian	0	0.0	0	0.0
Black or African American, Native Hawaiian and Other Pacific Islander	0	0.0	0	0.0
Black or African American, Some Other Race	0	0.0	0	0.0
Asian, Native Hawaiian and Other Pacific Islander	0	0.0	0	0.0
Asian, Some Other Race	0	0.0	0	0.0
Native Hawaiian and Other Pacific Islander, Some Other Race	0	0.0	0	0.0
Some Other Race, Some Other Race	0	0.0	0	0.0

11. The data will then change to the CT Block group you select. Again, print a copy to provide with your CDBG Application. You will need to also obtain the QT-P3 data for Race and Hispanic or Latino Origin data following the same step-by-step instructions.

CDBG Demographic/Racial Data Form

	Arizona Department of Housing	COMMUNITY DEVELOPMENT BLOCK GRANT DEMOGRAPHIC/RACIAL DATA FORM	
1. Applicant Name		2. Project Name	

This form should be used to capture demographic/racial data for CDBG-funded projects excluding Planning Only Grants or Public Works projects (water, sewer, streets, sidewalks, drainage).

3. Demographic/Ethnicity Data

- a) Source of Racial/Demographic Data:
- b) See page(s):

Demographic Category	Number/ # 4a)	Percentage/ % 4b)	Hispanic/Latino Ethnicity/# 5a)	Percentage/ % of demographic category 5b)
Single Race Categories				
White				
Black/African American				
Asian				
American Indian/Alaskan Native				
Native Hawaiian/Other Pacific Islander				
Multi-Race Categories:				
American Indian/Alaskan Native & White				
Asian & White				
Black/African American & White				
American Indian/Alaskan Native & Black/African American				
Other Multi-Racial				
TOTAL HISPANIC/LATINO 6)				
TOTAL NON HISPANIC/LATINO 7)				
TOTAL POPULATION 8)				

For reporting purposes, Hispanic is no longer classified as a race, but as an ethnic category. Thus, those collecting data on race must also ask the individual if he/she considers his/herself to be of Hispanic ethnicity. The Hispanic ethnicity has the potential to span across all races. Those who are White, Black, Asian, Pacific Islanders, American Indian, or Other Multi-Racial may also be counted as being Hispanic.

CDBG Demographic/Racial Data Form (continued)

**Instructions for
COMMUNITY DEVELOPMENT BLOCK GRANT
DEMOGRAPHIC/RACIAL DATA FORM**

The Demographic/Racial data shown on this form should equal the total number of beneficiaries (*or units, in the case of a housing project*) to be served on the CDBG Application - Form 4. For example, if you are working on a Community Facility Project the total population to be served shown on Form 4 at 7. National Objective Compliance would also be the total shown on the Demographic/Racial Data Form in Column 4a's total ("TOTAL POPULATION 8"). Likewise, for a Housing Rehabilitation project, the total number of housing units to be rehabbed would be shown on this form in Column 4a's total ("TOTAL POPULATION 8").

1. Enter the Applicant Community/County's name.
2. Enter the name of the project.
3. Line 3a) asks the applicant to cite the source of the data, i.e. 2010 U.S. Census, Special Survey, housing applicant waiting list, etc.
4. Line 3b) asks for the page number(s) in the application where the corresponding source data can be found.
5. Column 4a) asks for the number (#) of individuals/units falling into each demographic category.
6. Enter the total of column 4a) at the space provided at "TOTAL POPULATION 8)" which should equal the total population or units on the application activity form.
7. Column 4b) asks for the corresponding percentage of the whole population of people or units that fall into each demographic category.
8. Enter the total of column 4b) at the space provided at "TOTAL POPULATION 8)". NOTE: This total of column 4b) should always equal 100%.
9. Column 5a) asks for the total number (#) of each demographic category that is also considered to be of Hispanic/Latino ethnicity. For example, you may indicate in column 4a) that there are 100 Asian persons/units, but of those Asian persons/units 80 are also of Hispanic/Latino Ethnicity. You would then show 80 in column 5a) of the Asian demographic line. The numbers recorded in column 5a) may be equal to or less than (Never greater than) those recorded in column 4a) as they are a subset of the demographic shown in column 4a).
10. Enter the total of Column 5a) at the space provided at "TOTAL HISPANIC/LATINO 6)".
11. Enter the total number of persons NOT considered Hispanic/Latino (total population minus total Hispanic/Latino population) at the space provided at "TOTAL NON HISPANIC/LATINO 7)".
12. Column 5b) represents the percentages of those persons of a particular race who are also considered to be Hispanic/Latino or who are not of Hispanic/Latino ethnicity. The Percentages for Hispanic/Latino are calculated as follows: divide the number in column 5a) by the number in the

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CDBG Demographic/Racial Data Form (continued)

corresponding line in column 4a. Enter the percentage Hispanic/Latino in the space provided in column 5b). For example if column 4a for the Black/African American demographic line has 35; and column 5a) for the Black/African American demographic line has 10; then $10 \div 35 = .2857$ or 28.6% which is then entered in column 5b) for the Black/African American demographic line.

13. For column 5b) NON Hispanic/Latino divide the number in column 5a) at "NON HISPANIC/LATINO 7)" by the number in the "TOTAL POPULATION 8)" line of column 4a. Enter the percentage for NON Hispanic/Latino in the space provided in Column 5b) at "NON HISPANIC/LATINO 7)". Total percentage of Hispanic/Latino and Non Hispanic/Latino should equal 100%.

- NOTE: 1. All of the white squares in the table should have a number or percentage in them, even if it is zero. The areas that don't require a number or percentage have been shaded.
2. ADOH realizes that the extrapolation of Census data needed for the completion of this form may be somewhat difficult and some extra steps to obtain the appropriate data may be necessary. If you have difficulty completing this form, please consult your CDBG Program Specialist at ADOH for assistance.

Grant Application Review Form



Review Date _____ Staff _____

CDBG GRANT APPLICATION REVIEW FORM

FORM 1 - APPLICATION CHECKLIST (one for each activity)		
Form 1 should be page #1 and on top of the application package.		
Complete		Page(s)
	Applicant	
	Activity Name	
	Project Location Maps	
	Project Service Area Maps	
	Public Participation Documentation	
	Resolution to Apply (signed)	
	Colonia Resolution (if applicable)	
	Leverage Resolution (if applicable)	
	Slum/Blight Resolution (if applicable)	
	Relocation Assistance Resolution (if applicable)*	
	Special Survey (if applicable)	
	American Community Survey/Census Data	
	Neighborhood Revitalization Strategy (NRS) Resolution/ADOH Approval (if applicable)	
	Housing Rehabilitation Guidelines Approval (if applicable)	
	Environmental Review Record (ERR) and Approval (if completed)	
	CDBG Application Certifications (original to be mailed to ADOH)	
	Disclosure Report (original to be mailed to ADOH)	
	<i>* If project involves acquisition, demolition of an occupied structure, eminent domain or displacement/relocation of persons, a Relocation Plan & Resolution is required.</i>	

Comments:

Grant Application Review Form (continued)

FORM 2 – APPLICATION COVER SHEET		
Complete		Page(s)
A.	Regional Account (RA) COG:	
B.	State Special Project (SSP)	
C.	Colonia	
D.	Neighborhood Revitalization Strategy indicated: Yes <input type="checkbox"/> No <input type="checkbox"/> (if yes as page):	
1.	Applicant & DUNS Number	
2.	Congressional & Legislative Districts	
3.	Applicant Address (including 9 digit zip code)	
4.	Grantee Contact Information	
5.	COG contact Information (if using a COG to administer project or for TAAP)	
6.	Budget Complete and Accurate (CDBG funds match COG Wall Chart and source of leverage funds indicated)	
7.	Totals Correct	
8.	Application Signed by Chief Elected Official	
	Legally binding commitment for NON-local government leverage, in the form of: a letter from a state/federal agency signed by the Director or equivalent; or a pledge of resources from a private or non-profit entity that the applicant's Legal Counsel documents, in writing, is considered a legally binding commitment. This document MUST indicate the amount and type of resources and any other conditions relating to such.	

Comments:

Grant Application Review Form (continued)

FORM 3 - BUDGET SUMMARY		
Complete		Page(s)
1.	Name of Applicant	
2.	Name of Activity	
3.	TAAP Costs	
4.	Internal Staffing time and amounts reasonable. Math Correct.	
5.	Professional Services	
6.	Travel	
7.	Office Supplies and Equipment Needed for This Project Only	
8.	Advertising/Publications for Application	
9.	Indirect Costs (must have approved indirect cost plan)	
10.	Other Admin Expenses	
	Administration Total Correct and Matches Form 2	
11.	Environmental Review Record (ERR) Amount Reasonable for Type of ERR	
12.	Design/Engineering/Inspection Source Specified	
13.	Contracted Construction Work	
14.	Fixed Asset Equipment (details of usage rates, hours and equipment type required)	
15.	Land Acquisition (URA Always Applies)	
16.	Rehabilitation Services (no more than 20% of total)	
17.	Construction Materials (not part of construction contract or in-house warehouse)	
18.	Employees Working On This Project (details must be attached)	
19.	Offender Labor (agreement must be attached with consent forms)	
20.	Volunteer Labor (plan must be attached)	
21.	Equipment (Rent vs. Purchase) For equipment rental, at least 3 quotes for rates obtained and selected the lowest priced vendor, attached as page: For a local government's use of its own equipment, FEMA rates or documentation of low market rate through competitive process must be documented. (For FEMA rates, go to www.FEMA.gov).	
22.	Other Costs Not Accounted for Above	
	Subtotal of Project Costs Correct/Match Form 2	
	Grand Total Correct/Match Form 2	
23.	Narrative Explaining Source of Funds In Column b.	

Grant Application Review Form (continued)

FORM 3 – BUDGET SUMMARY (continued) (review form 4 before answering questions below)		
	All components appear reasonable based on size, type, and information on other forms.	
	Amounts compare to info on other forms and appear reasonable based on length and type of project.	

Comments:

Grant Application Review Form (continued)

FORM 4 – DESCRIPTION & OBJECTIVE		
Complete		Page(s)
1.	Name of Applicant	
2.	Name of Activity	
3.	Describe the project location & service area in detail	
4.	Service area map with project location(s) marked	
	An eligible activity type must be checked.	
5.	Activity Scope of Work (Detailed narrative that includes all applicable bullet points in instructions) (Scope of Work makes sense and will benefit the intended population)	
6.	Why is the project necessary (detailed description of the problems, conditions and other factors and indicate the need for this activity)	
7.	Indicate the Census Tract, Block Group, Total Beneficiaries, Low-Mod Beneficiaries and Low-Mod %. Indicate one National Objective and its sub-category by checking the appropriate boxes and filling in the required information. Check that information matches the Census, Special Survey, LMISD provided.	
8.	Describe how the activity meets the chosen National Objective	

Comments:

Grant Application Review Form (continued)

FORM 5 – PROJECT TIMELINE		
Complete		Page(s)
	Milestones are complete and timeline reasonable based on specific project and tasks: Procurement of ERR; engineering; easement acquisition; construction contractor; construction, inspections; etc. Compare to samples provided in instructions.	

Comments :

Grant Application Review Form (continued)

SUPPORTING DOCUMENTATION		
Certifications		
Complete		
	If multi-jurisdictional, list information for ALL or NA	
	Appropriate original signature of CEO. Date: page:	
	Complete (1-26, etc.)	
Resolutions		
	If multi-jurisdictional, list information for ALL.	
1.	Authorizing Submission: Number	
	Date signed:	
	Correct/complete (CEO ONLY)	
	Cites correct activity(s)	
2.	Relocation Assistance Plan: Number	
	Date signed (cannot be more than 5 years prior to 1/1/current funding year):	
	Displacement will take place: Yes <input type="checkbox"/> No <input type="checkbox"/>	
	Information consistent with other forms	
	Correct/complete	
3.	SB Target Area: Number	
	Date signed (cannot be more than 5 years from date of adoption)	
	Certification of mailing	
	Evidence of publication and posting	
	Area same as on map	
	Area includes SA	
	Correct/complete	
4.	Urgent Need: Number	
	Date signed:	
	Correct/complete	
	Timeline met, i.e., 18 months	
5.	Leverage, Local Funds/Resources: Number	
	Date signed: _____	
	Amount same as on other forms	
	Defines use and type	
	Consistent with other forms	
	Correct/complete	
6.	Colonia: Number:	
	Area same as on other forms	
	Consistent w/other forms	
	Correct and complete	

Grant Application Review Form (continued)

7.	Housing or Commercial Rehab, HOA, OO, RR, CRG: Number: _____ page: _____	
	Date signed: _____	
	Amount same as on other forms	
	Defines use and type	
	Consistent with other forms	
	Correct and complete	
Public Notice		
Display Ad - P-2		
	Date published:	
	Newspaper(s):	
	Proof of publication on page:	
	Include copy of ad	
	General circulation newspaper and covers entire community area	
	Five categories correct	
	Date of hearing #1 (at least 16 days after P-2 published):	
	Time and location appropriate	
	Technical assistance info appropriate (name, location, hours, etc.)	
	Accessibility statement included	
	Published in another language if appropriate: Yes <input type="checkbox"/> No <input type="checkbox"/>	
	Include copy of ad	
	If yes, newspaper date:	
	Proof of publication on page:	
Display Ad - P-4		
	Date published:	
	Newspaper(s):	
	Proof of publication on page:	
	Include copy of ad	
	Date of hearing #2 (at least 15 days after date of first public hearing and 15 days after publication)	
	General circulation newspaper and covers entire community area	
	Activity description(s) adequate and includes activity name, population served, activity amount, percentage of LM served, etc.	
	Description same as in application or less than 35% difference	
	Comment period appropriate (ends at least 16 days after publication)	
	Accessibility statement included	
	Published in another language if appropriate: Yes <input type="checkbox"/> No <input type="checkbox"/>	
	Include copy of ad	
	If yes, newspaper date:	
	Proof of publication on page:	

Grant Application Review Form (continued)

Display Ad - P-6 (If Applicable)	
Date Published:	
Newspaper(s):	
Proof of publication on page:	
Include copy of ad:	
General circulation newspaper and covers entire community area	
Application revision noted	
Activity description(s) adequate and includes activity name, population served, activity amount,, percentage of LM served, etc.	
Description same as in application or less than 35% difference	
Hearing date (if applicable and at least 16 days after publication):	
Comment period appropriate (ends 16 days after publication)	
Date resolutions to be adopted	
Accessibility statement included	
Published in another language if appropriate: Yes <input type="checkbox"/> No <input type="checkbox"/>	
If yes, newspaper date:	
Proof of publication on page:	
Miscellaneous	
Disclosure Report	
Pages consecutively numbered	
"Before" photograph included as page:	
Special Conditions needed: Yes <input type="checkbox"/> No <input type="checkbox"/>	
Monthly Performance Reports?	
COG Administration?	
Monthly Payment Requests?	
Status of Prior and Current Year Audits:	
Status of Outstanding Issues from Existing Contracts:	
Neighborhood Revitalization Strategy (NRS)	
If prior procurement of engineer, architect, etc... was completed pre-application, application includes documentation of procurement procedures, timing and execution of contract. NOTE: Pre approval for actions taken/obligations prior to submittal includes all those activities integral to the project EXCEPT for those relating to the application preparation itself (e.g., COG time, applicant staff time, public notices, etc.)	

Comments:

SECTION 8. SPECIAL SURVEY PROCESS

DETERMINING CDBG NATIONAL OBJECTIVE ELIGIBILITY Using a Special Survey (SS) process for determining project CDBG National Objective eligibility involves the following steps:

- Determine need
- Develop project to meet the need
- Identify national objective
- Identify the service area
- Produce map of service area
- Define the population
- Select survey type (census/survey)
- Select method of survey (mail/phone/personal)
- Design methodology
- Design questionnaire
- Design cover letter/script
- Obtain CDBG approval
- Conduct survey
- Complete follow-up
- Tally results
- Send tabulation results to ADOH for approval

When a Special Survey (SS) is Needed

A Special Survey is used only if activities are to be justified on the basis of a LM National Objective area-wide benefit and if one (1) or more of the following apply:

- If the proposed activity is located in a Census Tract (CT), Block Numbering Area (BNA) or Block Group (BG) that has less than fifty-one percent (51%) low-to-moderate income persons based on the most recent available Census data AND the grantee has reason to believe that the Census information is NOT accurate and the area is primarily LM, then a Special Survey is necessary.
- If the activity is located in a Census Tract (CT), Block Numbering Area (BNA) or Block Group (BG) that has at least fifty-one percent (51%) low to moderate income persons, based on the most recent available Census data, but does not serve the entire CT, BNA or BG, or it serves portions of several CTs, BNAs or BGs, then a Special Survey is necessary.
- If the Service Area (SA) of the proposed activity is not contiguous with any census designated area, whether it lies within a Census area that is primarily LM or not, and the grantee has reason to believe that the SA is primarily LM then an SS is necessary. For example, the Service Area of a water system improvement project is ONLY those persons hooked up to that water system, which is unrelated to any Census area boundaries.

Two (2) Types of Surveys

The applicant will undertake one (1) of two (2) types of special surveys listed below. All sections of this Appendix will apply equally to both types of surveys except as noted.

Random Survey

A SS of a relatively large population will generally be undertaken using a random sample, which is discussed below.

Census Survey

Where the area to be surveyed has a relatively small number of households, or when the applicant wishes to obtain information from each household, it will attempt to contact one-hundred percent (100%) of the population, thus conducting a census.

General Guidelines for Conducting a Reliable Survey

Remember that the survey documents the applicant's legal basis for receiving CDBG funds. Thus, it must be conducted in a scrupulous fashion, so as not to jeopardize the community's funding. The following guidelines should help applicant's conduct a reliable survey:

- Keep good records of every task and step while conducting the survey.
- Ensure that selection of the participants is random.
- Make every effort to obtain a high response rate. A minimum of seventy-five percent (75%) of the selected participants should respond.
- The CDBG Program must approve the survey process in advance.

Prior Approval from the CDBG Program

Before proceeding with a special survey as described above, the applicant must receive prior approval from the CDBG Program, and RD, if applicable. The following information is required to be submitted to ADOH for prior approval of CDBG Program Special Surveys:

- A copy of the survey instrument or questionnaire that includes the correct income levels.
- A copy of the survey cover letter or "script" if the survey will be by telephone or door to door. This must explain the purpose of the survey but NOT indicate or encourage certain responses.
- A description of the method of surveying (mail, face-to-face, or telephone).
- The definition of "population" for the survey and how the population/list of those to be surveyed was developed.
- The total number of households in the area to be surveyed.
- The sample size and the method to select the random sample, if a census is not required or applicable.
- The response process, to include:
 1. The length of time allowed to respond to the first letter (in case of a mail survey);
 2. When (time of day for personal or telephone interviews) and the number of follow-up attempts that will be made; and
 3. The length of follow-up time that will be allowed. An extension of time to complete the survey may be requested in writing but will not be granted for a total of more than 6 months from the date of initiation.

- The procedures to ensure that the survey will not discriminate against persons with disabilities or those who are non or limited English speaking (for example, a TDD number on the letter, training for interviewers, translations of the questionnaire and copies in large print for those who are visually impaired).
- The anticipated date of survey completion.
- The method that will be used to determine which households have not responded.
- Other SS procedures and policies, such as who will define “head of household,” make final determinations regarding “income” and “family,” and determine which surveys are valid and which are questionable.
- The position titles and number of staff/interviewers that will be involved in the survey, a brief description of their training (to include information on accessibility issues, and how to respond to questions about “income” or “family”). Also, identify the one (1) person with overall responsibility for the SS process.
- The physical location of the survey information (street address and specific office or room number); security (locked file cabinet), and the staff position responsible for confidentiality and retention of the information.

The CDBG Program may, at any time, request copies of any or all documents relating to the SS. Also, after a grant has been awarded, CDBG staff will conduct regular on-site monitoring visits during which they may examine all documents relevant to the special survey.

An example survey form used by RD is included in this section.

The Four (4) Survey Steps

There are four (4) steps to the SS process. These steps are as follows:

- Selecting the type of survey;
- Designing the questionnaire;
- Drawing the sample; and
- Administering the survey.

Selecting the Type of Survey

The applicant must select the type of survey to be used at the beginning of the survey process. There are three (3) types of surveys:

- Mail survey;
- Telephone interviews; and
- Face-to-face interviews.

Costs, advantages and liabilities vary for each type. For determining income levels, a mail survey will usually suffice. If the number of participants (those who respond to the survey) is very small (i.e. fifty (50) or less), a grantee may consider face to face interviews. This will ensure a higher response rate, which is important for a reliable survey.

Mail Survey

Mail surveys are most appropriate when respondents can be selected and their addresses identified, the data items to be obtained are clear (such as income figures, as opposed to attitudes on an issue) and when confidentiality is a critical issue.

Face-to-face Interview

A face-to-face interview is most useful when a high response rate is critical, rapport with respondents is desired, and respondents cannot be identified prior to the survey. The disadvantages are the high cost, possible interviewer bias and the possibility of people refusing to respond because they know the interviewer and fear a loss of confidentiality.

Designing the Survey Questionnaire

There are two (2) formats of survey questions: open-ended and closed-ended. An example of an open-ended question is: "What do you think is this community's most important need?" The respondent is allowed to answer in any way he/she chooses. Usually, several blank lines are provided for an answer.

A closed-ended question is one which forces the respondent to make a choice: "Do you like the new community center: Answer 'yes' or 'no.' "Is your income below \$5,000; between \$5,000 and \$10,000; or above \$10,000?" Typically, closed-ended questions have a box to check for the appropriate answer.

The CDBG sample survey instrument uses both types of questions in the format. The second question, "Total number living in the household," is open-ended, because the respondent is allowed to answer with any number without having a box to check for each possible number. The first and third questions, however, are closed-ended, because the respondent will need to mark a specific box which categorizes the income level and ethnicity.

Although all applicants can use the CDBG sample questionnaire, the income limits MUST be changed by the applicant to reflect the income limits for the applicant's County, as indicated in Section Q of this Appendix. Those figures will be updated as ADOH receives revisions from HUD.

If the applicant wishes to collect other data, those questions may also be inserted in the survey. The applicant should keep in mind, however, that the survey's primary function is to determine income levels, and too many additional questions may be confusing and time consuming to the respondent, and thus reduce the response rate.

A sample survey questionnaire that has been approved for use by the CDBG Program is included in this Appendix. It can be used in a mail survey, telephone interview, or face to face interview. However, if used for a telephone or face-to-face survey, it will require appropriate revisions to this document to include:

- An introduction of the interviewer;
- Verification that the correct home has been reached;
- Verification that the "head of household" (as defined by the grantee and approved by CDBG) has been reached;
- A careful reading or repetition of the definition of "income"; and
- A careful reading or repetition of the income levels or, after family size has been determined, a question that requests the person to answer yes or no to the question: "is your income x or below?"

Drawing the Survey Sample

"Sampling" is a procedure whereby the characteristics of a large group (the population) can be inferred by surveying the characteristics of a smaller subset (the sample). Sampling is usually done because it is much less expensive than surveying an entire population. If the sample is "good" (i.e. representative), then the information

can be validly applied to the population. The purpose of random sampling is to give each member of the population an equal probability of being selected in a sample.

Definitions

Population- "Population" does not necessarily refer to the entire population of the city, town, or county. The population area will consist of the boundaries of the proposed activity's Service Area (SA). It may be smaller than a BG, BNA, or CT.; or, if the applicant is disputing U.S. Census data, it may be the entire BG, BNA, or CT population or the applicant's entire population. Specifically, the population is that group to which is applicant wishes to generalize the results of the sample.

Respondent- Because this is a household income survey, the respondents will not be individuals. Rather, each single "respondent" will be an entire household or family. (A household or family can consist of a single individual.) The survey, however, will provide information on the number of people in each family to determine: whether the family is LM; the total number of persons; and the total number of LM persons living in the SA.

Determination of the Sample

The applicant must determine the population by reviewing the SA boundaries and compiling a list of all households (addresses) in the SA. If vacant households are found either before or during the survey; the population decreases and thus so does the sample size.

Sample Size

Refer to the table below for the required number of the population that must be surveyed.

Total Number of Households in the Service Area	Number of Households to be Surveyed
50	46-50
60	51-59
80	67-75
110	89-97
150	116-124
210	152-160
290	192-200
400	236-244
700	319-327
1200	396-404
1800	446-454
2500	480-488
<p>Figures in this table represent a 95% Confidence Level (accuracy) and a 4% Confidence Interval (margin of error). For figures not represented on the table, refer to the Sample Size Calculator found at https://www.surveysystem.com/sscalc.htm or consult the ADOH CDBG Department</p>	

When a small population (universe) is being surveyed, and if the percent LM based on the responses is very close to the statutory minimum (fifty-one percent (51%)), there is a much greater risk that the results may not be reliable in predicting the actual number and percent of LM persons in the SA. Thus, on a case by case basis, the CDBG Program may require a response rate higher than seventy-five percent (75%). Therefore, local governments and COGs are encouraged to provide SS results to the CDBG Program for review and approval before formally submitting an application.

Random Sampling

The applicant must develop a method of random sampling to be approved by the CDBG Program. The method described below is not the only random sampling method available, but is one that can be performed for any type of household listing:

- Assign each household a number, in a consecutive sequence (1,2,3,4... to the maximum number). Write each number on a card or slip of paper.
- Put all of the numbered cards into a large receptacle and make sure they are well mixed.
- One-by-one, draw the numbered cards and record the number drawn in the order they were drawn. Repeat this procedure until the total number of households needed for the sample are drawn and recorded.
- Match the recorded numbers with the numbers assigned to the households.
- The applicant may wish to draw an extra number of cards or identify a larger sample pool which can be used in instances where the response rate from the original sample is very low. These extra samples can then be substituted for the original respondents, but only in the order in which they were drawn. (The applicant must also document why the decision was made to use this additional random sample pool.)

Administering the Survey

The staff administering the survey should establish procedures and guidelines that anticipate problems and describe the activities of the interviewer (for face-to-face interviews). For example, there should be procedures for respondents who:

- Refuse to cooperate;
- Are not available;
- Do not speak English
- Have a disability that prevents him/her from being able to respond without assistance; and
- Ask for additional clarification about terms such as "income," "head of household" or "family."

The following dates must also be determined:

- When the respondent is asked to return the questionnaire;
- When a follow-up letter will be sent, if the response rate is too low; and
- Identify when the extra sample pool will begin to be substituted for the original sample before recording that respondent as a non-response.
- Acceptance of any responses and finalizing the response rate.

Every effort should be made to contact the designated respondent. Do not replace one (1) respondent's name with another (i.e. a person living next door), as this will invalidate the return rate. Make sure that the procedures describe the number of attempts and several ways to reach the respondent (i.e. at different times of day [from 7:00 a.m. to 9:00 p.m.]); or by telephone or home visit.

If a mail survey is used, the procedures must describe the criteria for incomplete surveys that will not be counted (i.e. because of lack of signature, incomplete information and who has the authority to make this decision). However, even if a questionnaire is not counted, it must be retained with the SS records.

Non-Responses

Mail Surveys: If no response is received by the return due date for a mail survey, the applicant may decide to send a follow-up letter. The letter should repeat the purpose of the survey and stress how important it is for the community to have a good, representative survey. The applicant may ask the respondent to call if s/he needs an additional questionnaire or may include one (1) with the letter. However, all duplicate questionnaires must be identified as such to avoid duplicate responses.

Door to Door and Telephone Surveys: When conducting a door-to-door survey, those who refuse to answer the questions or are not home, are considered non-responses.

Non-responses are not counted in the LM/non LM calculations, but do appear as part of the overall population.

The Survey Package

The survey package will consist of two (2) items: a letter and the questionnaire. The letter should be on letterhead stationery to verify its official nature. If necessary, the letter and the questionnaire should be translated into other languages. Also a return envelope should be included if the survey is conducted by mail.

Letter

The letter should contain the following information:

- A brief description of why the survey is being conducted (without stating the preferred response) and explaining why demographic data is being requested.
- An assurance of confidentiality.
- The name and telephone number of a person to be contacted if the respondent has any questions.
- The address to which the questionnaire must be returned and the deadline (date and time) for return. This date should be two (2) to four (4) weeks after the date the questionnaire was mailed.
- A signature by the Mayor, Manager or other well-known figure. This can help increase the response rate.

(Note: If a telephone survey is used, this document should be changed accordingly and should take the form of a "script" for the interviewer.)

Questionnaire

To preserve confidentiality, the survey questionnaire should be in two (2) parts or consist of two (2) separate pages. The section with the respondent's name and address must be separated from the income and demographic data after receipt. The grantee should store all documents relating to the SS in a locked cabinet or other secure area which has limited access. The applicant must impress upon those working with the survey data the importance of confidentiality.

(Note: Where a face-to-face survey is being used, the interviewer can instruct the respondent to separate the two (2) parts of the questionnaire after completion, and place the part with the income information in one (1) envelope or box, and the other part, with the demographic information and the identification number or symbol, in another envelope or box, thus ensuring the confidentiality of the response.)

The questionnaire should contain the following sections:

- Number in family
- Income levels
- Demographic data: To comply with various federal civil rights compliance requirements, it is recommended that the applicant include information about ethnicity, disability and female head of household in the survey. This may provide more accurate information about those characteristics than that available from the most recent Census or will provide such for areas that are not coterminous with Census areas.
- Respondent's Signature, Date, and Address: The applicant may wish to complete the address on the form before mailing it out. The signature and date are needed to certify the accuracy of the information and to ensure that no person fills out more than one (1) questionnaire.

Envelope

A stamped, self-addressed, return envelope should be enclosed to encourage a response. The envelopes should be numbered or otherwise identified in an inconspicuous fashion (i.e. in the upper left-hand corner, with the return address). Thus, if someone returns a blank form, the questionnaire can be identified by the envelope.

Response Rate

The CDBG Program requires a seventy-five percent (75%) response rate determined by the following formula:

$$\frac{\text{Total Number of Surveys Returned}}{\text{Total Number of Surveys Mailed}} = \text{Percent of Response Rate}$$

If the response rate is lower than seventy-five percent (75%), there are three (3) actions that can be taken:

- Repeat follow-up actions (contact the person again and encourage him/her to submit the survey; see if s/he needs special assistance); and
- Select names from extra sample pool.
- Contact the CDBG Program, and explain the reason for a low response rate and request approval of the lower rate. If disapproved, a new survey may be required.

(Note: The applicant should document the vacant residential structures. The total number of households (population) may then be reduced by that number, which will decrease the number of responses required for a valid Special Survey.)

Compiling the Survey Results

To determine the LM population for CDBG purposes, use the Survey Tabulation Form in this section.

In most instances, survey questionnaires that are incomplete or incorrect must be considered as responses in the non LM category. Incomplete or incorrect information includes: no information on number in family; no income information; inconsistent information such as x's by two (2) ranges of income; or written comments that call the information into question. For example, if the number of persons is indicated, but no income information is provided, all those persons would be considered non-LM; if no number of persons is indicated, after an average of persons per household is determined, that respondent would be categorized as LM or non-LM based on the income indicated.

The survey procedures determined before the survey is initiated should specify who, by title, is responsible for determining the validity of questionnaires.

Recordkeeping

All survey materials should be placed in a special CDBG file, labeled "Special Survey, CDBG FY 20__." This file should be kept for five (5) years from the date of Closeout of the grant (or grants) for which it is used, not the date of application or survey completion.

Period of Applicability

ADOH has received direct guidance from HUD Headquarters, Washington D.C. stating "A lifespan CANNOT be assigned to an income survey since there is always a potential for changes in socioeconomic conditions (such as the loss of a major employer), or demographic situations (i.e. the influx or departure of some segments of the population) as well as unanticipated impacts of natural disasters." Additionally, HUD has stated that an income survey may be re-used for another CDBG-funded activity *only if the service area is exactly coterminous* with the service area of the first CDBG-funded activity. However, the applicant would have to justify why HUD's Low-Mod Income Summary Data (LMISD) cannot be used and then why a new survey is unnecessary. ADOH has determined that this HUD guidance coupled with the timing of funding available to applicants will mean that most projects will require that a new income survey be completed.

(Note: If your service area is exactly coterminous with a previous project in which an income survey was completed, please contact your ADOH CD&R Specialist to discuss whether or not a new income survey is necessary.)

Sample Survey Letter

(The survey letter should be on the applicant's official letterhead)

DATE

Participant Name and Address

Dear Participant:

The (name of grantee) is conducting a survey to determine the average income of residents in this neighborhood, for the purpose of applying for federal grant money. The money would be used to make "needed improvements" or name specific activity in this neighborhood. *(If applicable, the letter may state "at no cost to you," taking into account any local dollars that may be used for the project.)*

In order for the information from this survey to be valid, we must have everyone respond. All information will be kept strictly confidential, as the actual survey information regarding size of family, income and demographics will be separated from the bottom portion of the page. Thus there will be no way for anyone to connect the information you supply regarding your income and ethnic status with your name and address.

Please answer the questions on the attached questionnaire, sign the form, and return it to (grantee name and address) by (month, day, year) in the enclosed (stamped) self-addressed envelope.

If you have any questions about this survey or have special accessibility needs, please contact (name of contact person) at (phone and TDD).

Thank you for your cooperation.

Sincerely,

Signature

(Mayor, Manager, or someone well known throughout the community)

Survey Tabulation Form

SURVEY TABULATION FORM

(A COPY OF THIS FORM MUST BE SUBMITTED TO ADOH FOR CONFIRMATION OF VALIDITY)

APPLICANT _____ Survey Area Name: _____

Read instructions before completing this form.

- (1) NUMBER OF HOUSEHOLDS TO RECEIVE PROJECT BENEFITS _____
- (2) NUMBER OF HOUSEHOLDS CONTACTED _____
- (3) NUMBER OF HOUSEHOLDS RESPONDING TO THE SURVEY _____
- (4) SURVEY RESPONSE RATE [(3) DIVIDED BY (2)] = _____ which = _____ %

BREAKDOWN OF SURVEY RESPONSES BY FAMILY SIZE

(5) FAMILY SIZE	(6) NUMBER OF RESPONSES	(7) NUMBER OF LOW/MOD RESPONSES	(8) NUMBER OF NON LOW/MOD RESPONSES	(9) NUMBER OF LOW/MOD PERSONS	(10) NUMBER OF NON/LOW MOD PERSONS
1 person	_____	_____	_____	_____	_____
2 people	_____	_____	_____	_____	_____
3 people	_____	_____	_____	_____	_____
4 people	_____	_____	_____	_____	_____
5 people	_____	_____	_____	_____	_____
6 people	_____	_____	_____	_____	_____
7 people	_____	_____	_____	_____	_____
8 people	_____	_____	_____	_____	_____
9 people	_____	_____	_____	_____	_____
10 people	_____	_____	_____	_____	_____
TOTALS	_____	_____	_____	_____	_____

- (11) TOTAL PERSONS SURVEYED = TOTAL OF (9) + TOTAL OF (10) = _____
- (12) LOW/MOD PERCENTAGE = TOTAL OF (9) DIVIDED BY (11) = _____
- (13) SURVEY AVERAGE FAMILY SIZE = (11) DIVIDED BY TOTAL OF (6) = _____
- (14) NUMBER OF HOUSEHOLDS NOT SURVEYED = (1) MINUS (3) = _____
- (15) NUMBER OF BENEFICIARIES NOT SURVEYED = (13) X (14) = _____
- (16) LOW/MOD BENEFICIARIES NOT SURVEYED = (12) X (15) = _____
- (17) TOTAL BENEFICIARIES = (11) + (15) = _____
- (18) TOTAL LOW/MOD BENEFICIARIES = TOTAL OF (9) + (16) = _____

Certification: I, [Typed Name], in my capacity as [Title] for this jurisdiction, certify that the information in this report and the survey questionnaires is correct to the best of my knowledge and was reported in accordance with the accompanying instructions.

Signature: _____
 Address: [Street Number, City, State, Zip]
 Phone number: [area code and phone #] Date: [month, day, year]

*Survey Tabulation Form (continued)***INSTRUCTIONS FOR COMPLETING THE SURVEY TABULATION FORM**

1. Fill in the number of households that will receive project benefits.
2. Fill in the number of households contacted. (A contact occurs when an interviewer knocks on the door, a letter is sent to an address, or a phone dialed and found to be in working order even if no one answers.)
3. Fill in the number of households/families where a response to the survey was received.
4. Calculate the Survey Response Rate by dividing the number of households/families responding to the survey by the number of households/families contacted. The result must be at least 75%.
5. Sort the survey responses by the family size of the respondents.
6. Count the number of responses received for each family size and fill in Column (6).
7. Sort the responses for each family size according to whether or not the household/family was of low/moderate income.
8. Fill in Columns (7) and (8) for each family size.
9. Complete Columns (9) and (10) for each family size by making the following calculations:
 - i. Family Size X Column (7) = Column (9)
 - ii. Family Size X Column (8) = Column (10)
 - iii. Example: Sixty responses are received from families having a family size of three persons. Forty of these families were of low/moderate income and twenty families had higher incomes. For families with a family size of three the calculations would be:
 - iv. $3 \times 40 = 120$ low/moderate income persons
 - v. $3 \times 20 = 60$ non-low/moderate income persons
 - vi. Complete these calculations for each family size surveyed.
 - b. 10. Add Columns (6), (7), (8), (9), and (10) from top to bottom and enter the sums on the TOTALS line.
10. 11.-18. Follow arithmetic computations indicated for each line item.

Certification: The person responsible for the validity of the Special Survey must review and sign the form. The person signing the Survey Tabulation Form may be contacted by ADOH concerning the results. Please include the name, title, address, phone number and the date the tabulation form was completed.

Special Survey Desk Monitoring Form

Grantee: _____
 Monitoring Date: _____

Contract # _____
 Reviewer: _____

SPECIAL SURVEY DESK MONITORING FORM

Date received: _____

Survey Instrument	Yes	No	Comments
1. Copy attached	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Contains correct income levels	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. Cover letter explains purpose but does not encourage specific responses	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. Correct and complete	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. Confidentiality maintained	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. Non-English translations necessary? If yes, issue addressed	<input type="checkbox"/>	<input type="checkbox"/>	_____
7. Accessibility issue addressed	<input type="checkbox"/>	<input type="checkbox"/>	_____

Description of Survey Method	Yes	No	Comments
8. <input type="checkbox"/> Mail	<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/> Personal Interview			
<input type="checkbox"/> Telephone			
9. Appropriate to situation	<input type="checkbox"/>	<input type="checkbox"/>	_____

Definition of Population	Yes	No	Comments
10. Describe _____ _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
11. Details development of survey group	<input type="checkbox"/>	<input type="checkbox"/>	_____
12. SA appears reasonable and related to population	<input type="checkbox"/>	<input type="checkbox"/>	_____

Special Survey Desk Monitoring Form (continued)

Households to be Surveyed	Yes	No	Comments
13. Total number be surveyed	<input type="checkbox"/>	<input type="checkbox"/>	_____
14. Appears reasonable and related to SA/population	<input type="checkbox"/>	<input type="checkbox"/>	_____
15. Random Sample Size: (If small, may require a response rate higher than 75%. Refer to <i>Application Handbook</i> . Advise applicant in approval letter.)	<input type="checkbox"/>	<input type="checkbox"/>	_____
16. Complies with the Application Handbook:	<input type="checkbox"/>	<input type="checkbox"/>	_____
17. Math to compute size of random sample:	<input type="checkbox"/>	<input type="checkbox"/>	_____
18. Random sample method reasonable	<input type="checkbox"/>	<input type="checkbox"/>	_____

Response Process	Yes	No	Comments
19. Response process	<input type="checkbox"/>	<input type="checkbox"/>	_____
20. Length of time for first response:	<input type="checkbox"/>	<input type="checkbox"/>	_____
21. Number of follow-up attempts:	<input type="checkbox"/>	<input type="checkbox"/>	_____
22. Time of day/week:	<input type="checkbox"/>	<input type="checkbox"/>	_____
23. Length of time for follow up:	<input type="checkbox"/>	<input type="checkbox"/>	_____
24. Anticipated date of survey completion:	<input type="checkbox"/>	<input type="checkbox"/>	_____
25. Method to determine non-respondents	<input type="checkbox"/>	<input type="checkbox"/>	_____

Staff & Security	Yes	No	Comments
26. Number of Staff:	<input type="checkbox"/>	<input type="checkbox"/>	_____
27. Position Titles & Responsibilities:	<input type="checkbox"/>	<input type="checkbox"/>	_____
28. Survey files location	<input type="checkbox"/>	<input type="checkbox"/>	_____
29. Files secured to ensure confidentiality	<input type="checkbox"/>	<input type="checkbox"/>	_____
30. Staff responsible for confidentiality:	<input type="checkbox"/>	<input type="checkbox"/>	_____
31. Process appears reasonable	<input type="checkbox"/>	<input type="checkbox"/>	_____

Special Survey Desk Monitoring Form (continued)

Survey Expiration Date

32. Date survey begun: _____
 Based on: Cover Letter First Interview
33. Survey valid until (for as long as proven valid or until invalidated by the introduction of the current decennial census): _____

CDBG Staff: _____	Date: _____
Contact Person: _____	Phone or Fax: _____
Approved: <input type="checkbox"/> Yes	Contingent Upon: _____
<input type="checkbox"/> No	
Grantee notified on (date): _____	by <input type="checkbox"/> copy of this form
	<input type="checkbox"/> separate letter/fax
	<input type="checkbox"/> e-mail

NOTE: Use the Survey Tabulation form from the CDBG Application Handbook to tabulate survey results. Approval of this survey is NOT approval of the service area or any proposed project.

Comments:

Special Income Survey Questionnaire and Worksheet

Town of _____
SPECIAL INCOME SURVEY QUESTIONNAIRE

Neighborhood # _____

TOTAL ANNUAL HOUSEHOLD INCOME: (a worksheet is attached to this survey to assist you in calculating income)	
TOTAL NUMBER OF PERSONS LIVING IN HOUSEHOLD:	
The following demographic information is optional but will prove helpful to the Town.	
Ages of household members:	Below 19 years old _____ persons 20 - 59 years old _____ persons 60 years or older _____ persons
Number of disabled persons in the household:	_____ persons
Female Head of Household:	Yes <input type="checkbox"/> No <input type="checkbox"/>

Note: *If there is more than one family living in the household, please call [name, phone] to request an additional questionnaire. Each family must complete a separate questionnaire form.*

I, [Typed Name of person signing form] verify that this information is true and accurate.

 Signature

 Date

street, city, state, zip
 Address

Special Income Survey Questionnaire and Worksheet (continued)

Town of _____
SPECIAL INCOME SURVEY
INCOME WORKSHEET

This form is provided for your convenience to help you determine annual household income.
 This worksheet is for your information only and should not be returned with the survey form.

Include all income received by all members of the household during the last calendar year from
 January 1, 2____ through December 31, 2____.

Salaries before payroll deductions:	
Income from a business:	
Interest Income	
Dividend income	
Social Security	
Pension Payments	
Unemployment Compensation	
Welfare Payments	
Alimony and/or Child Support	
Other:	
TOTAL INCOME:	

Please keep in mind that income from food stamps, insurance reimbursements, or gifts not received on a regular basis, and scholarships should not be included.

VISUAL ASSESSMENT FOR SLUM/BLIGHT AREA BASIS

Definition

For the purposes of the State CDBG Program in Arizona, a Visual Assessment (VA) is defined as *a visual inspection of each property in a neighborhood (proposed Redevelopment Area) from the street right-of-way to determine overall neighborhood conditions based on individual property conditions.*

This assessment is meant to be a detailed analysis of property conditions to support a Redevelopment Area designation. The individual completing the assessment should have the appropriate knowledge and background to complete the process. This person will need to visually inspect and assess each property in the proposed Redevelopment Area.

Applicability

A VA can only be used to conduct an assessment of buildings when establishing a slum-blight area based on deteriorated structures. *This process is not applicable to verification of a low-mod area National Objective.*

An example of an appropriate use of a Visual Assessment is as follows:

A community wants to complete commercial rehabilitation in a Service Area (SA) that is forty percent (40%) LM. A VA may be conducted to verify that the proposed Redevelopment Area contains at least twenty-five percent (25%) deteriorated or deteriorating structures. If the twenty-five percent (25%) threshold is met, this means that the proposed project is *eligible* to meet the slum/blight National Objective requirement. Ultimate approval of meeting the National Objective is subject to ADOH review and approval of all required slum and blight designation documentation.

It is important to note the difference between a project's Service Area and Redevelopment Area. Service Area is defined in Section 2 as the specific geographic area in which the primary beneficiaries of the proposed CDBG activity reside. Redevelopment Area is also defined in Section 2 as a defined geographic area that is officially designated by the grant recipient pursuant to ARS 36-1473 and meets the definition of a slum, blighted, deteriorated or deteriorating area established pursuant to ARS 36-1471. Based on these two (2) definitions, a project's Service Area may not be the same as its Redevelopment Area. If you are unsure of the differences between the two (2), contact your Specialist to assist in determining the boundaries of each.

Methodology

The survey will ultimately note the condition of all properties in the proposed Redevelopment Area. Each property will be noted as qualifying as deteriorated or not. See the specific qualifications and definitions later in this section.

The applicant must first determine and demonstrate the activity's Service Area and Redevelopment Area, as follows:

- A map of the Service Area.
- A map of the Redevelopment Area.

REMINDER: These two (2) areas may or may not be the same! If you are unsure, contact your Specialist *before* you begin working!

- A map of the location of the proposed project, including any landmark structures (i.e. post office, library, schools, etc.).
- A detailed written description of the Redevelopment Area that includes all street names and north, south, east and west boundaries must be provided.

(Note: This description should easily compare to the Redevelopment Area Map prepared as one (1) of the Required Records for the Slum/Blight Area Basis designation.)

Next the applicant must conduct the VA. Each individual property must be surveyed. To maintain consistency, it is recommended that the same person or persons conduct the entire VA and that the surveyor walk each block to allow plenty of time for observation, notations and photography.

The visual assessment documentation must include:

- A photograph of each property.
- Detailed photographs of any defects that are not clearly visible in the overall property photo.
- Visual Assessment forms that include a line item for each property expressing the defects and conditions of the property. (Detailed information on making this determination will follow later in this section.)
- The total number of structures.
- The number of deteriorated structures.
- The calculated percentage of deteriorated structures.

Once the survey is complete, the results will be reviewed by CD&R Staff to determine whether the Redevelopment Area meets federal CDBG Program requirements for designation as a slum/blight Area

1. For the purposes of documenting property status, there are two (2) ways a property can meet the definition of deteriorated: Having any two (2) of the following Defects in combination:

- Exterior Walls: bulging, leaning, missing materials/siding, severe rot, holes.
- Roof: visible underlayment, sagging/buckling, missing trim/flashing, severe rot.
- Windows and Doors: majority broken/missing, severe frame gaps, severe rot, missing hardware.
- Obvious vermin or rodent infestation.
- Entryway/Stairs/Ramps/Porch: severely worn/missing treads or support posts/railings, separation from main structure, severe rot, sagging.
- Electrical/Mechanical: insufficient panels, clearly inoperable mechanical units, missing/broken meters.
- Foundation: crumbling, severe cracks/voids, missing masonry, visibly unstable.
- Storefront/Signage (if applicable): excessive rust, unstable.

OR

2. Having any one (1) of the following Conditions:

- Abandoned.
- *High Turnover/Vacancy: Chronic high occupancy turnover or vacancy rates.
- *Poor Property Value: Significant decline in value, abnormally low value.
- *Environmental Contamination.

* If any of these Conditions apply, additional documentation must be submitted along with the Visual Assessment forms to support the designation. This documentation could include, but is not limited to, Landlord Rental Logs, ADEQ Reports, Real Estate Assessments completed by a professional.

NOTE: FOR A DETAILED DEFINITION OF EACH OF THE ABOVE REQUIREMENTS (DEFECTS AND CONDITIONS), REFER TO THE VISUAL ASSESSMENT FORM INSTRUCTIONS. EACH ITEM BULLETED ABOVE IS OUTLINED IN DETAIL IN THAT DOCUMENT.

Recordkeeping

ADOH *highly recommends* obtaining approval from your Specialist *prior to beginning any work on your Visual Assessment!* This allows for a discussion and confirmation of your project's Service Area and Redevelopment Area *before* time is spent on the ground completing the assessment. In addition, the results of the VA **MUST** be submitted *prior to the CDBG application* and must include:

- A map of the Service Area;
- A map of the Redevelopment Area;
- A map of the proposed project location (can be included on the same map if clearly visible);
- A detailed written description of the Redevelopment Area to include all street names and north, south, east and west boundaries;
- All completed Visual Assessment forms;
- A photograph of each property listed on the Visual Assessment forms (additional detail photos may be required if there are specific Defects and Conditions that cannot be seen in the overall photo); and
- All completed Visual Assessment Tabulation forms.

Actual records *must* be provided to ADOH for review and approval. If approved, the above records and ADOH approval *must* be maintained with the applicable grant files until ADOH gives the approval for file destruction.

Visual Assessment Form

VISUAL ASSESSMENT FORM

Applicant: _____ Date: _____ Form _____ of _____
 Census Tract: _____ Block Group: _____
 Assessment Completed By: _____
 Signature _____ Typed or Printed Name _____

Address	Building Type: Residential/Mobile/ Commercial/ Industrial	Defects** (see instructions for photo requirements)								TOTAL DEFECTS	Conditions**				Comments	Qualifies as Deteriorated? Y/N
		A	B	C	D	E	F	G	H		I	J	K	L		
1.																
2.																
3.																
4.																

**See instructions for explanation of defects and conditions and how to properly complete this Form.

Visual Assessment Form Instructions

Visual Assessment Form Instructions

Complete the top section of the Form by inserting the following information:

- Applicant: Indicate the name of the Applicant
- Date: Indicate the date the form was completed. This should be the date the Visual Assessment was performed.
- Form ____ of ____: Insert the current page number in the first blank and the total number of pages in the complete Visual Assessment in the second blank.
- Census Tract: Indicate the Census Tract in which the addresses on this sheet are located. An additional form should be used if there are multiple Census Tracts.
- Block Group: Indicate the Block Group in which the addresses on this sheet are located. An additional form should be used if there are multiple Block Groups.
- Assessment Completed By: Indicate the name (via signature and print) of the person who completed the Visual Assessment. By signing this form, this person acknowledges that the information they are providing is honest and correct to the best of their knowledge.

Complete the body of the Form (chart section) by inserting the following information into each of the respective columns:

- Address: Indicate the address of the subject property. This must include the full address including zip + 4 (i.e. 1307 West Walla Walla Way / Phoenix, AZ 88888-2222).
- Building Type: Indicate the property type by selecting from one of the following – “Residential”, “Commercial”, “Industrial”, “Other”. Provide an explanation under the “Comments” column if “Other” is selected.
- Defects: Carefully assess the subject property for defects. Use the attached list titled Defects and Conditions to determine if any of these apply to the property. If any of them are applicable, place a check mark in the corresponding column (A through H) on the form.
NOTE: Each property **must** be photographed and these photos (in color, high resolution) **must** be included as part of the Visual Assessment in order for it to be considered valid. If there are any “defects” checked that are difficult to see on the overall photograph, the preparer **must** take and submit additional photograph(s) of the defect(s) to support this determination. ADOH **will** ask for additional documentation if what is originally submitted for review is not clear.
- Total Defects: Count the total number of boxes checked from A through H. Indicate this total in this column.

Visual Assessment Form Instructions (continued)

- **Conditions:** Carefully assess the subject property for specific “conditions”. Use the attached list titled Defects and Conditions to determine if any of these apply to the property. If any of them are applicable, place a check mark in the corresponding column (I through L) on the form.
NOTE: If any of the conditions J, K, and/or L are checked, an explanation and supporting documentation *must* be provided as outlined in the attached Defects and Conditions list.
- **Comments:** Indicate any relevant comments in this space. Remember that a comment *is required* if boxes J, K or L are checked. Other comments are *highly encouraged*. Some examples include: “Roof underlayment visible in several locations” OR “5 of 7 windows are boarded up” OR “Brick wall missing mortar; can see to interior in places”. If there is not enough space on this form, **attach additional pages as necessary!!**
- **Qualifies as Deteriorated:** Based on the boxes checked as a result of the visual assessment, mark this box as YES or NO. The following provides guidance on making this determination.
 - If two (2) or more of the Defects boxes (A through H) have been checked, the building qualifies as deteriorated. Indicate “YES”.
 - If ANY of the Conditions boxes (I through L) have been checked, the building qualifies as deteriorated. Indicate “YES”.
 - If any combination of Defects and Conditions boxes have been checked, the building qualifies as deteriorated. Indicate “YES”.
 - If none of the above criteria are met, the building does not qualify as deteriorated. Indicate “NO”.

Once you have completed the actual Visual Assessment and associated forms and taken photos, you will need to complete the Visual Assessment Tabulation Form.

REMEMBER! The Visual Assessment Form documentation includes a line item for *each property* in the Redevelopment Area *as well as* a photograph of *each property* in the Redevelopment Area. It may also include detail photos of specific “defects” and/or supporting documentation of specific “conditions.”

Once you have completed the Visual Assessment Form(s), photos, supporting documentation and Visual Assessment Tabulation Form(s), this information *must be submitted to your CD&R Specialist* for review and approval.

*Visual Assessment Form Instructions (continued)***DEFECTS AND CONDITIONS****DEFECTS:****A. Exterior Walls**

- Siding is lifting and/or peeling away from structure in several locations.
- Painted surfaces taken as a whole are in a progressed state of peeling/chipped.
- Brick or masonry is missing mortar; contains holes where one can see through to the building's interior.
- Exterior trim is missing altogether.
- Walls are clearly out of plumb and leaning at unsafe angles.
- Rot is clearly visible in several locations.

B. Roof

- Roof underlayment is visible in several locations.
- Roof is sagging and/or buckling.
- Trim, waterproofing and flashing are curling, cracking and/or missing altogether.
- Rot is clearly visible in several locations.

C. Windows and Doors

- The majority of windows are broken and/or missing glazing altogether (including boarded up).
- Windows and/or doors are clearly ill-fitting in their frames as evidenced by gaps and drafts.
- Window and/or door surfaces have clearly reached the end of their serviceable life as evidenced by: severely worn or missing hardware; clearly visible rot; and/or warping materials.

D. Infestation

- Evidence of infestation is clearly visible. Evidence includes but is not limited to: rodent nests, termite tunnels, cockroach residue (frass), etc.

E. Entry/Stairs/Ramps/Porch

- Building entry presents an obvious hazard as evidenced by: severely worn and/or missing stair treads; loose/missing handrails; broken/deteriorated balusters/support posts/railings.
- Stairs/Ramps/Porch have separated from the main structure.
- Rot is clearly visible in several locations.
- Stairs/Ramps are rotten/sagging.

F. Electrical and Mechanical

- Electrical panels are inadequate and have reached the end of their serviceable lives.

Visual Assessment Form Instructions (continued)

- Mechanical units are clearly not in use as evidenced by: weeds growing in them; excessive rust; clearly missing components; etc.
- Electric meters are broken or missing.
- Water heaters (if visible) are deteriorated beyond reasonable repair.

G. Foundation

- The foundation is crumbling in several locations.
- The foundation has visible cracks and voids across the surface area.
- Stone or masonry block is missing.
- There is visible evidence of structural instability.

H. Storefront and Signage (if applicable)

- Storefronts and/or signage are visibly aging beyond repair as evidenced by: excessive rust; severe peeling paint; unstable/in danger of falling/collapse

CONDITIONS

I. Abandoned

J. High Turnover/Vacancy*

- Building is experiencing *chronic* high occupancy turnover rates.
- Building is experiencing *chronic* vacancy rates.

K. Poor Property Value*

- Building is experiencing (or has recently experienced) significant decline in property value.
- Building is experiencing (or has recently experienced) abnormally low property values relative to other areas in the community.

L. Environmental Contamination*

* If any of these conditions apply, supporting documentation *must* be submitted along with the Visual Assessment Form. This documentation could include, but is not limited to, Landlord Rental Logs, ADEQ Reports and Real Estate Assessments completed by a professional.

Visual Assessment Tabulation Form (continued)

**INSTRUCTIONS
VISUAL ASSESSMENT TABULATION FORM**

Before completing this form, total the number of structures and deteriorated structures on each of the Visual Assessment forms.

Complete the top section of the form by inserting the following information:

- Applicant: Indicate the name of the applicant
- Date: Indicate the date the form was completed. This should be *after* (or the same as) the date the Visual Assessment was performed.
- Form ____ of ____: Insert the current page number in the first blank and the total number of pages that comprise the Visual Assessment Tabulation in the second blank.

1	Enter the form numbers from each of the Visual Assessment (VA) Form(s).
2	Enter the total number of Structures from the corresponding VA Form(s).
3	Enter the total number of deteriorated structures from the corresponding VA Form(s).
4	Enter the totals of each of the columns for numbers 2 and 3.
5	Complete 5 if ONLY ONE (1) TABULATION FORM IS NEEDED TO CAPTURE ALL THE DATA FROM THE VA FORMS. Enter the percentage of deteriorated structures on line (5) of the VA Tabulation form. To calculate the percentage, take the Total Deteriorated Structures from Column 3, Line 4, and divide this number by the Total Structures from Column 2, Line 4. Take the decimal figure you just calculated and multiply by 100 to get a percentage. Do not round this figure.
6	Complete 6 if MULTIPLE TABULATION FORMS ARE NEEDED TO CAPTURE ALL THE DATA FROM THE VA FORMS. Enter the grand total of all structures assessed in the Visual Assessment. Enter the grand total of all deteriorated structures assessed in the Visual Assessment. Calculate the percentage deteriorated by dividing the Total Deteriorated Structures by the Total of All Structures and multiplying by 100 to get a percentage. Do not round this figure.
	The individual responsible for tallying the Visual Assessment Forms and the Tabulation Form(s) must sign and date in the area provided. The Chief Elected Official (CEO) for the unit of local government must sign and date, certifying the Visual Assessment Tabulation form.

SECTION 9. OTHER CDBG PROCESSES

SPECIAL ASSESSMENTS

Assessments vs. Connections

Assessments and connections are two (2) totally different activities. The confusion usually arises over use of the term “utility hook up” which is used to mean either of the two (2) (i.e. physical work on private property as well as an access fee). The key to understanding assessments vs. connections is to ask the question: How will the funds actually be spent?

Connection

It is a connection if funds will be used to pay for physical work on private property, such as digging a trench, laying pipe, connecting the pipe to existing plumbing in the house, connecting the pipe to the line on the public right of way, “turning on” the water/wastewater connection, and capping the existing well or collapsing the existing septic tank. As a result, connection fees will always vary in cost, depending on the distance of the house from the public right of way, topography, soil conditions etc. However, for planning purposes, a grantee may choose to establish a maximum amount or percentage of the total cost that CDBG will pay for each connection. The amount should be such that it will not prohibit LM persons from connecting to the system. For example, if the average cost of a connection is estimated to be \$1,000, the grantee may say that will be the maximum amount it will pay regardless of the actual cost. Or the grantee could say that it will pay only seventy-five percent (75%) of the cost of a connection for moderate income families and ninety percent (90%) of the cost for low income families.

Connections are required by CDBG whether as part of a public improvement (water/sewer project) or housing rehabilitation to ensure benefit to the persons living on the property. That is, installing a water line does not actually benefit those living in the area unless there are also funds made available to connect the home to the line.

Assessment

It is an assessment if funds are NOT spent primarily on physical work. An assessment is a fee required to be paid by a property owner for access to a specific utility service. It is not related to any specific improvements on the private property and defrays the cost of the installation or expansion of the entire system. It may vary, however, as in some cases it is based on the length of the property along the public right of way. An assessment does NOT per se result in the house actually being physically connected to the system, but rather pays for the ‘right’ of that homeowner to use the system, if/when/however she/he finds a way to pay for the actual connection construction cost.

Most assessments (which may also appear under the term, ‘tap in fee’ or ‘capacity fee or charge’) include monies to pay for the cost of the construction of the original facility, whether a water or wastewater treatment plant or lines of any size on public right of way. It makes no difference if the assessment is for a treatment plant, pumps/tanks, or lines that are in the process of being constructed at the same time or were constructed before the connection is to take place and now consists of ‘debt.’ The use of the funds determines if the charge is an assessment or a connection cost.

Eligible Assessment Expenses

CDBG funds may be used to pay assessments only under limited circumstances if:

- The utility itself is being funded in whole with CDBG funds and thus meets a national objective and is fully compliant with all CDBG Program requirements. In this case, the grantee can only assess persons who are not LM. It cannot recover CDBG funds by assessing LM persons. In this example, assessments would be considered Program Income and subject to all CDBG requirements.
- A grantee may recover funds used for CDBG funded public improvement ONLY:
 1. Where the public improvement is funded by a combination of CDBG and other funds, such as a USDA loan or local dollars;
 2. For the non-CDBG funded portion of the project; and
 3. If the grantee certifies to ADOH, and CDBG concurs in that certification, that it lacks sufficient funds to pay the assessments for the properties owned and occupied by all low and moderate income persons. In this case, it may collect the assessment against a property owned by a moderate income person but must continue to pay the assessment for properties owned and occupied by very low income persons (i.e. those persons having incomes at or below fifty percent (50%) of the median income). In this example, assessments would not be considered Program Income.
- If the utility (water/wastewater project for example) is or was constructed with non CDBG funds, the grantee may use CDBG funds to pay the assessments for LM persons ONLY if the project is being/was constructed compliant with all CDBG requirements (i.e. ERR, LS and URA) and the project per se met a national objective (i.e. served primarily LM persons).

Neither connection nor assessment fees include:

- Increases in property taxes to repay a general obligation bond issued for a public improvement; or
- User fees to repay a revenue bond issued for public improvements or to directly cover the costs of operating the facility, such as monthly water or sewer charges.

Compliance Certification

The issue of payment of assessments has a long and complicated history, which is why each state and each unit of general local government applying for CDBG funds must certify compliance. Both the Housing and Community Development Act and the State CDBG regulations speak to this issue. Title I, Section 104(b)(5) of the Act states that:

“...the grantee will not attempt to recover any capital costs of public improvements assisted in whole or in part (...with CDBG funds) ... by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (a) (...CDBG...) funds ... are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than that under this title; or (b) for the purposes of assessing any amount against persons of low and moderate income who are not persons of very low income, and the grantee certifies to (ADOH) that it lacks sufficient (...CDBG...) funds to comply with the requirements above...”

Section 570.482. Eligible Activities (b) of the Federal CDBG regulations for States and Small Cities states that:

“b. Special assessments under the CDBG Program. The following policies relate to special assessments under the CDBG Program:

1. Public improvements initially assisted with CDBG funds. Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments may be imposed as follows:
 - i. Special assessments to recover the CDBG funds may be made only against properties owned and occupied by persons NOT of low and moderate income. These assessments constitute program income.
 - ii. Special assessments to recover the non-CDBG portion may be made, provided that CDBG funds are used to pay the special assessment in behalf of all properties owned and occupied by low and moderate income persons except that CDBG funds need not be used to pay the special assessments in behalf of properties owned and occupied by moderate income persons if, when permitted by the state, the unit of general local government certifies that it does not have sufficient CDBG funds to pay the assessments in behalf of all of the low and moderate income owner-occupant persons. Funds collected through such special assessments are not program income.

1. Public improvement not initially assisted with CDBG funds. CDBG funds may be used to pay special assessments levied against property when this form of assessment is used to recover the capital cost of eligible public improvements initially financed solely from sources other than CDBG funds. The payment of special assessments with CDBG funds constitutes CDBG assistance to the public improvement. Therefore, CDBG funds may be used to pay special assessments, provided that:
 - i. The installation of the public improvement was carried out in compliance with requirements applicable to activities assisted under this subpart, including labor, environmental and citizen participation requirements;
 - ii. The installation of the public improvement meets a criterion for national objectives;
 - iii. The requirements of 570.482(b)(1)(ii) are met.”

Examples

- Sun Shine City has been awarded a \$100,000 CDBG grant to extend a sewer main to an area of the City in which seventy-five percent (75%) of the persons are of low and moderate income. The project will be funded totally by CDBG dollars. The City's usual policy is to assess each property owner \$500 to cover a portion of the sewer lateral cost. Because the project is totally CDBG funded, the City must include service laterals in its project design and cannot assess any property owner for any portion of the cost to install those service laterals. If the CDBG application did not include sufficient funds to pay for those laterals, the City will have to use local dollars to cover such costs for all property owners in that area. This activity would be identified as “Sewer System Improvements” and NOT Special Assessments.

- Cactus County has been awarded a \$100,000 CDBG grant to repair and expand a water system serving fifty (50) families. The project is funded by a combination of a \$100,000 CDBG grant and \$50,000 in County funds. The County normally charges each owner a \$300 tap-in fee. The County may use CDBG funds to pay for up to \$100 of the tap-in fee for low and moderate income owner-occupied properties (one-third (1/3) of the total fee and the proportion of the project financed from non-CDBG funds). The County may also charge the above low-and moderate-income property owners a maximum of a \$100 tap-in fee (i.e. one-third (1/3) of the

usual tap-in fee, which represents the proportion not funded by CDBG). However, no CDBG funds may be recaptured. This activity would be classified as “Water System Improvements” vs a Special Assessment.

- High Country City requests \$100,000 to pay for connections for LM persons to enable them to hook into the sewer system which was constructed several years ago. Based on the average size of the lots in the city, the distance of homes from the laterals and the type of terrain, the City estimates that the cost of actually constructing the line on each private lot will be about \$1,800; thus the City anticipates that it will be able to hookup about 55 homes. The municipal utility charges a \$100 fee to enroll each home. The CDBG funds can pay for this \$100 enrollment fee in addition to the costs of constructing the actual lines on the private property. This activity would be identified as “Housing Rehabilitation,” NOT a Special Assessment.
- Superbowl City requests \$100,000 to pay assessments for LM homeowners in the NE section of the City, which has 500 residential lots. A special district has just been created to pay for construction of streets, sidewalks and street lights. Voters authorized the sale of \$1 million in bonds for this construction, which would result in a \$2,000 assessment per lot. Based on the Census data, the City determines that there are approximately fifty (50) (or ten percent (10%)) LM families, which is the basis for the \$100,000 application. This activity would be classified as a SPECIAL ASSESSMENT, which would require the City to conduct an ERR on the entire street construction project, pay Davis Bacon wages, and monitor for LS compliance during the construction of the street improvements.

The Process and Documentation

The grantee must verify home ownership. It must then notify all persons owning and occupying homes in that area, in writing, that the public improvement project is funded in part with CDBG (federal) funds and that depending on their incomes they may have their sewer lateral, assessment or tap-in fees waived.

The written notification must be in easy to understand language and must include:

- A name and telephone number/TDD and/or address of a person whom the owner/occupant can call/contact for additional information;
- Translation into another language if there are a significant (twenty-five percent (25%) or more) number of limited or non-English speaking/reading persons in that area. This process will be very similar to that used for a Special Survey (see Section 8. Survey Processes); and
- An explanation to the homeowner that the information collected will be kept confidential and will only be used for the purpose of determining if the person(s) do(es) or do(es) not have to pay the assessment or fee.

The grantee must then collect information from each household to determine whether the owner is the occupier, the number of persons in each household and the annual income. Such information must be collected in writing.

After the receipt of the owner/occupier's income and number-in-family information, the grantee must provide written notification to those persons who qualify as low/moderate (or just low) income persons that they will NOT be required to pay the fees/assessments. The grantee can then use CDBG funds to pay for the fees/assessments for the low and moderate income (or just low income) persons. The grantee will have to maintain documentation of all of its actions. See the Sample Letter on the next page.

Sample Homeowner Assessment Notification Letter

SAMPLE HOMEOWNER ASSESSMENT NOTIFICATION LETTER

Letter must be on grantee stationary and sent Certified mail, return receipt requested or hand delivered with a signature and date verifying receipt by the homeowner.

(This letter must also be translated into another language in an area in which 25% or more of the population is of Non or Limited English speaking/reading ability).

Dear Owner:

As you may be aware, the [insert name of grantee] will soon be installing a [insert project type, i.e. "sewer line" or "water line" etc.] in your neighborhood. This project is being funded by a combination of local funds and federal Community Development Block Grant (CDBG) funds. Federal law requires that the [insert name of grantee] NOT recover costs for the [insert project type, i.e. "sewer line" or "water line" etc.] from persons of limited income who own and occupy their homes. Usually the [insert name of grantee] charges each property owner a fee of \$[insert amount of fee] for a [insert description of fee i.e. "hook up" or "tap-in" to a new "sewer" or "water" line]. However, you may not have to pay such a fee if you meet certain income guidelines.

Please fill out the attached form and return it no later than [insert due date]. A stamped self-addressed envelope is enclosed for your use.

If you have any questions about this letter, the [insert project type, i.e. "sewer line" or "water line" etc.], or the [insert description of fee i.e. "hook up" or "tap-in" to a new "sewer" or "water" line], please call us at: [phone number] or TDD: [TDD number] or come into the [insert name of building, e.g., Town Hall, and address] anytime between [insert hours of operation] and talk to [insert name of person responsible for project].

All of the information you provide is confidential. It will be used only to determine whether you can qualify to have the [insert description of fee i.e. "hook up" or "tap-in" to a new "sewer" or "water" line] installed at no charge to you.

Thank you for your cooperation.

Sincerely,

[Signature and Name]

Homeowner Assessment Qualification Statement

Homeowner Assessment Qualification Statement

Name of Homeowner: _____

Complete Address: _____

1. Do you own the property at the address above? YES NO
2. As of the date that you received this letter, do you live at the address stated above?
YES NO
3. How many persons (including yourself) are currently in your family, whether related by blood or marriage, and live at the address stated above. Number of persons _____
4. Please indicate your total family income during the last twelve months before you received this letter. \$ _____

Signature _____ Date _____

LUMP SUM DRAWDOWNS

(Note: These are some of the requirements for lump sum drawdowns. Please contact the CDBG Program for additional information and guidance.)

Use of a Lump Sum Drawdown Fund

Use of the lump sum drawdown option is permissible only to establish a revolving loan fund in one (1) or more financial institutions for the rehabilitation of privately owned properties. This can include residential, commercial or industrial properties. Financing techniques may include loans, interest subsidies, loan guarantees, and loan reserves. The fund may also be used for granting purposes but only when leveraging non-CDBG funds for rehab of the same property.

(Note: No grant funds may be deposited in a private financial institution solely for investment purposes. Administrative costs of the grantee or the financial institution may not be funded through a lump sum drawdown.)

Agreement Requirements

The grantee must execute a written agreement with a private financial institution for the operation of the rehabilitation fund before a lump sum deposit is made. Some of the agreement requirements include:

- It must specify the obligations and responsibilities of all parties and the terms and conditions under which CDBG funds will be deposited and used or returned.
- It must specify the CDBG Program's right to withdraw any unobligated funds as corrective or remedial actions.
- It must state the time period for which it will be in effect, which cannot exceed the term of the grantee's contract or twenty-four (24) months.
- It must be approved by the CDBG Program before signatures are obtained and a final signed copy provided for CDBG Program files.

Deposit in a Private Financial Institution

A lump sum deposit in a private financial institution must result in appropriate benefits in support of the grantee's rehab program. Minimum benefit requirements are:

- The financial institution must pay interest on the deposit.
 1. The interest rate cannot be lower than three (3) points below the rate of one (1) year Treasury obligations at constant maturity.
 2. If the interest rate is fixed for the agreement period, that rate should be that in effect at the time the agreement is executed.
 3. If the agreement states that the interest rate will fluctuate, the established rate cannot be lower than three (3) points below the rate of one (1) year Treasury obligates at constant maturity.

- In addition to interest payments, the financial institution must provide at least one (1) of the following benefits:
 1. Leverage of the deposited funds so that the financial institution commits private funds for loans in the rehab program in an amount substantially more than the amount of the lump sum deposit;
 2. Commitment of private funds by the financial institution for rehab loans at below market interest rates, at higher than normal risk, or with longer than normal repayment periods; or
 3. Provide administrative services in support of the rehab program at no cost or lower than actual cost.

Program Income

Interest earned on lump sum deposits and payments on loans made from such deposits are program income and, during the agreement period, must be used for rehab activities.

Limitation on amount of Lump Sum Drawdown

The funds that a grantee requests to deposit must not exceed the grant amount that the grantee reasonably expects will be required, together with anticipated program income from the rehabilitation activities of the agreement based on:

- Prior level of rehabilitation activity; or
- Rehabilitation staffing and management capacity; or
- Estimated demand for rehabilitation activity

Lump Sum Use Standards

Use standards for Lump Sum Drawdowns are as follows:

- The agreement must be fully executed before the lump sum deposit is made.
- Use of the deposited funds must start (i.e. first loan must be made, subsidized or guaranteed) within forty-five (45) days of the deposit.
- Substantial disbursements from the fund must occur within 180 days of receipt. This is determined as twenty-five percent (25%) of the fund (deposit plus any interest earned) within 180 days.
- Grantees must provide monthly reports to the CDBG Program regarding the use of the Lump Sum Drawdown account.

ESCROW ACCOUNTS

Escrow accounts may be used to fund loans and grants for the rehabilitation of privately owned residential properties containing no more than four (4) dwelling units.

Some of the requirements for escrow accounts are listed below. Please contact the CDBG Program for additional information and guidance.

- The contract between the property owner and the contractor must specify that payment to the contractor will be made through the escrow account. No deposit to the account can be made until the contract is signed by the property owner and the rehab contractor.
- The escrow account must be maintained by the grantee or an eligible non-profit entity.
- All funds must be deposited into one (1) interest earning account with a financial institution.

- The amount of funds in the escrow account cannot exceed that which should be disbursed within ten (10) working days from the deposit date.
- Escrow accounts may be used only to pay actual rehab costs incurred by the property owner under contract with the contractor. Other costs such as administration must be paid under normal CDBG Program procedures.
- Interest earned must be returned to the CDBG Program at least quarterly for return to the U.S. Treasury.

VOLUNTARY DEMOLITION AND CLEARANCE GUIDELINES FOR VACANT PROPERTIES AND UNSOUND RESIDENTIAL PROPERTIES

The following Demolition and Clearance Guidelines were adopted by ADOH on May 2, 2006. Demolition and Clearance projects now include an income qualification and lien process which will apply to property owners who qualify for demolition and clearance of their property with CDBG funds. These guidelines are intended to be a guide for preparation of Demolition and Clearance Guidelines that will need to be adopted by Town/City councils or County boards.

Program Purpose

The purpose of the Voluntary Demolition and Clearance Program is to assist the [City/Town/County] of [name of city/town/county] with its neighborhood revitalization plans and strategies through the use of Community Development Block Grant funds for the demolition and clearance of vacant, unsound, dilapidated residential properties. The outcome shall result in a benefit to low-moderate income individuals and in the revitalization of communities with designated revitalization areas that help primarily low-to-moderate income neighborhoods.

The [City/Town/County] of [name of city/town/county] is exempt from following the income-qualification requirements of these guidelines only when the planned use of the demolished and cleared property will provide a benefit to low-to-moderate income persons. Acceptable uses may include, but are not limited to, constructing a park on the site of the cleared property that is located in and will provide a benefit to a neighborhood that contains at least fifty-one percent (51%) low-to-moderate income persons, or constructing affordable housing that will be owned or occupied by low-to-moderate income persons.

These Guidelines are approved by the [City/Town/County] of [name of city/town/county] for the purpose of providing the requirements to be followed for demolition and clearance activities of vacant, unsound, dilapidated residential properties.

This program is designed to eliminate specific conditions of blight or physical decay in a designated redevelopment area. This program is available only to low-to-moderate income property owners who have voluntarily applied or to areas in need of revitalization where a fifty-one percent (51%) low-to-moderate income population exists and at least twenty-five percent (25%) of the structures are deteriorating or dilapidated.

Program Qualifications for Slum and Blight on an Area-wide Basis

This program is eligible in accordance with 24 CFR 570.483(c)(2) and the Housing and Community Development Act of 1974 for the State Community Development Block Grant Program.

- The proposed area for redevelopment contains at least twenty-five percent (25%) deteriorating and dilapidated structures, as documented by a visual assessment inspection of the proposed area (windshield survey forms) and approved by the Arizona Department of Housing's Community Development Block Grant Program; and (This is in accordance with 24 CFR 570.483 (e)(1).)

(Note: Public facility activities require that a special income survey be conducted.)

- To be eligible for demolition and clearance, the properties must be uninhabitable and unable to be rehabilitated as determined by a building inspector or code compliance officer for the local government. If a property is qualified to be demolished and cleared, the individual homeowner must be income qualified and determined to be low-to-moderate income and eligible under HUD Section 8 standards, when there is no planned use for the property that will provide a secondary benefit to low-to-moderate income persons.

Program Qualifications for Slum and Blight on a Spot Basis

The elimination of specific conditions of blight or deterioration on a spot basis is designed to comply with the statutory objective for CDBG funds to be used for the prevention of blight, on the premise that such action(s) serves to prevent the spread to adjacent properties or areas. To comply with the national objective of Elimination or Prevention of Slums or Blight on a spot basis (i.e. outside of a designated slum or blighted area), an activity must be designed to eliminate specific conditions of blight or physical decay not located in a designated slum or blighted area. The area must have related conditions to the designated redevelopment/slum and blighted area.

Under this criterion, rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.

Properties eligible on a Spot basis must meet all of the same program qualifications and requirements as set forth in the program qualification for slum and blight on an area-wide basis (above).

Compliance with A.R.S. Slum Clearance and Redevelopment

The [City/Town/County] of [name of city/town/county] has complied with Arizona law, which invokes additional notice requirements for local governments that wish to designate an area to be slum or blighted. Pursuant to revised A.R.S. 36-1471 et. Seq. Slum Clearance and Redevelopment, the [City/Town/County] of [name of city/town/county] has:

- Notified via first-class mail, each and every owner of real property that is within the boundaries of a proposed redevelopment area, to the addresses stated on the most recent records of the County Assessor, pursuant to ARS 36-1473B, of the time, date and location of a public meeting concerning the findings;
- Held a public meeting; and
- Adopted a Resolution as # _____ on ____ (date), which defines the area targeted for redevelopment.

Compliance with State of Arizona CDBG Guidelines Based on 24 CFR 570.483(e)(1)

The [City/Town/County] of [name of city/town/county] of has publicly advertised in a newspaper of general circulation informing the public of the proposed redevelopment/slum and blighted area and included the public meeting time, date, and location of the proposed demolition and clearance project.

The public notice with the information required by A.R.S. 36-1471, and with the CDBG project locations and information, shall also be posted in at least three (3) locations of prominence throughout the community. The notice will indicate the proposed redevelopment area boundaries and follow CDBG public notice requirements, including the ADA notice of accommodation.

Community Program Operations

Applicant Requirements

The current property owner of record is contacted and is requested to submit:

- Demolition and Clearance Application;
- Third-party income-qualification documentation (applications considered for approval will have property owners meeting HUD's Section 8 income qualifications for low-to-moderate income persons); and
- Copy of the Warranty Deed.

Approved applicants must provide:

- A notarized statement granting permission to demolish and clear their property;
- Execute a five (5) year sliding scale forgivable Promissory Note and Deed of Trust. The note shall be forgiven at a rate of twenty percent per year for five (5) years. The remaining balance of the loan shall become due and payable upon the sale, exchange, or transfer of property. The maximum amount allowed on a Deferred Payment Loan is \$_____.
- An agreement to order utility company sign-offs. If a septic tank is present, it must be collapsed and filled per ADEQ guidelines.

Community Property Selection Criteria

The [City/Town/County] of [name of city/town/county] receives and responds to public requests for Demolition and Clearance applications. The [City/Town/County] of [name of city/town/county] can also select and notify property owners of vacant, deteriorating and dilapidated properties that their property is potentially eligible for demolition and clearance, subject to satisfying income-qualification requirements.

The [City/Town/County] of [name of city/town/county] accepts Demolition Permit Applications for consideration. All applications will include income-qualification documentation from owners of qualified vacant, deteriorating, dilapidated properties. Applications submitted without income-qualification documentation will be rejected and not considered for demolition and clearance.

The [City/Town/County] of [name of city/town/county] agrees not to discriminate in any manner against any individual who may seek services on the basis of race, creed, gender, color, religion, mental or physical handicap, familial status or national origin.

The [City/Town/County] of [name of city/town/county] notifies approved applicants, as well as applicants not meeting income-qualification and property condition requirements. The [City/Town/County] of [name of city/town/county] will maintain records of all applicants based on CDBG records requirements.

Review Committee Responsibilities

The [City/Town/County] of [name of city/town/county] will select a Review Committee comprised of at least three (3) persons, who will serve in a fiduciary capacity on behalf of the City/Town/County for the sole purpose of reviewing demolition and clearance applications received from City/Town/County residents. The Committee will collectively approve, rate, and prioritize/rank applications based on Community Development Block Grant (CDBG) program guidelines and applicable federal regulations and State statutes. The Committee shall present its recommendations to the responsible CDBG grant administrator for the [City/Town/County] of [name of city/town/county] for final determination and approval. (No member of the [City/Town/County] of [name of city/town/county] Review Committee shall have a substantial interest in any property being considered for demolition and clearance, as defined by Arizona Revised Statutes 38-503 for public officials, employees, agencies, commissions, or committees).

Demolition Permit Applications received are reviewed by the City/Town/County of _____ Review Committee. The Review Committee conducts research to confirm the current property owner of public record.

The [City/Town/County] of [name of city/town/county] Review Committee reviews income documentation and approves and prioritizes income-qualified property owners based on severity of condition, and lowest income persons served first.

The CDBG grant administrator for the [City/Town/County] of [name of city/town/county] notifies approved applicants that they and their properties are qualified for demolition and clearance.

The CDBG grant administrator for the [City/Town/County] of [name of city/town/county] requests a property title search and report for approved applicants who respond with acceptance. The title report must confirm the applicant as the owner(s) of record and that no liens exist against the property. If any liens are recorded against the property, the owner will be notified and given an opportunity to have the lien released within 30 days. If lien release cannot be accomplished by the property owner, the Review Committee has the discretion to either suspend the application until such time as the property's title is free and clear of any and all liens or deny the application.

The Committee confirms whether an income-qualified applicant's property is uninhabitable and unable to be rehabilitated, as determined by the [City's/Town's/County's] Building Code Compliance Officer or other qualified [City/Town/County] staff person.

Community Environmental Review Requirements

The [City/Town/County] of [name of city/town/county] will conduct the proper level of Environmental Review for the designated redevelopment area and property/properties.

The [City/Town/County] of [name of city/town/county] will submit all required Environmental Review documentation to the Arizona Department of Housing Community Development Block Grant Program and request a Release of Funds for the designated redevelopment area and property/properties.

(Note: The following must be included in the E-11, as part of a mitigation plan. The enforcement of the mitigation plan shall also be provided to ADOH.)

- To ensure compliance with federal regulations, licensed contractors performing property demolition and clearance activities must follow the federal regulations. For guidance, see Title 40, Part 61.145, Subpart M for the National Emission Standards for Hazardous Air Pollutants, and Title 29, Part 1926, Subpart D and T, for Safety and Health Regulations for Construction.

The [City/Town/County] of [name of city/town/county] will consult with the State Historic Preservation Office to receive clearance for each property approved for demolition and clearance.

(Note: Properties that are either currently listed or have the potential to be eligible to be listed in the National Historic Register cannot be demolished when federal CDBG funds are being used. This should be determined through Section 106 consultation.)

The [City/Town/County] of [name of city/town/county] will satisfy all environmental requirements, so that each approved property can be environmentally released for demolition and clearance. The [City/Town/County] of [name of city/town/county] will submit required documentation to the Arizona Department of Housing Community Development Block Grant Program to receive an environmental release of the individual properties selected and approved for demolition and clearance.

Asbestos and Lead Requirements in Addition to Standard ERR Requirements

The [City/Town/County] of [name of city/town/county] will request an asbestos and lead inspection from a certified inspector.

A thorough inspection by a certified Asbestos Hazard Emergency Response Act (AHERA) building inspector is required for those portions of the building to be demolished, or renovated, for the presence of asbestos.

If the certified building inspector determines that asbestos materials are present on the property, a NESHAP notification must be submitted to the Arizona Department of Environmental Quality, and state and federal guidelines for containment, removal, and disposal, must be followed. For details, see Title 40, Code of Federal Regulations, Part 61, Subsection M, Asbestos NESHAP; Arizona Revised Statutes, Section 49-421 et. seq. and Section 49-471 et. seq.; and Arizona Administrative Code R-18-2-1101.

Contractor Best Management Practices

The [City/Town/County] of [name of city/town/county] will competitively procure a licensed contractor using the sealed-bid method. The procurement process will comply with all federal requirements for procuring construction services.

In addition to all required language for construction procurement for federally-funded projects, the bid documents should also include the following components in the specifications:

- Contractor to make every effort to minimize the amount of dust generated during demolition. Methods of dust control can be, but are not limited to, wetting down the construction debris during the actual demolition.

- Contractor will also be directed to break all windows INWARDS prior to start of demolition.
- Contractor will erect fencing around the property perimeter for public safety purposes, to create a barrier from allowing public access to the demolition site.

The following language must be included in the documents requesting bids:

- To ensure compliance with federal regulations, licensed contractors performing property demolition and clearance activities must follow the federal regulations. For guidance, see Title 40, Part 61.145, Subpart M for the National Emission Standards for Hazardous Air Pollutants, and Title 29, Part 1926, Subpart D and T, for Safety and Health Regulations for Construction.

The [City/Town/County] of [name of city/town/county] will notify the property owner of the schedule date for the demolition and clearance activities to commence.

The [City/Town/County] of [name of city/town/county] will confirm that existing utilities have been disconnected.

Prior to commencement of demolition activities, the [City/Town/County] of [name of city/town/county] will conduct a final inspection to confirm that property is vacant and clear of hazardous contents, if applicable.

The [City/Town/County] of [name of city/town/county] will take pictures before commencement of demolition.

The [City/Town/County] of [name of city/town/county] will issue a Notice to Proceed to contractor.

The [City/Town/County] of [name of city/town/county] building inspector will inspect and approve of cleared lot prior to releasing payment to contractor. In addition to the removal and clearance of a building structure, the following items should also be completed:

- Complete removal of pad/foundation;
- Capping abandoned utility lines (i.e. water, sewer, gas);
- Abandonment (collapse and fill) of septic tank;
- Rubble and all debris to be cleared from site;
- Original water drainage pattern is not disturbed or blocked; and
- Any holes shall be filled and lot shall be returned to existing grade

The [City/Town/County] of [name of city/town/county] will take pictures after demolition and clearance is completed.

SECTION 10. HOUSING GUIDANCE

REHABILITATION AND ADMINISTRATIVE SERVICES

Rehabilitation services are an eligible cost that may be charged to the non-administrative component of a CDBG grant (i.e. to the HR activity) and thus are exempt from the eighteen percent (18%) administration limitation. The distinction between allowable rehabilitation services costs and administrative services is described below.

Rehabilitation Services

Such services include: answering phone calls from prospective applicants; reviewing applications for eligibility; interviewing homeowners; notifying applicants of eligibility; discussing a specific application with a banker for a leverage loan or interest write-down program; preparing a work write-up; reviewing bids; talking with a specific contractor about a specific rehabilitation job; conducting a pre-construction conference; reviewing requests for payment from contractors; inspecting a house; reviewing and responding to a complaint from an owner/tenant or contractor. These costs are not subject to the eighteen percent (18%) administrative/planning limit for CDBG resources. However, they must be reasonable in relation to the funds to be used for the actual HR. The CDBG Program has defined reasonable as approximately twenty percent (20%) of the total HR funding, regardless of source.

Administrative Services

Such services include: developing Housing Rehabilitation Guidelines; discussing the program design and soliciting participation from a local lending institution; preparing and presenting reports on the program to the City Manager or the Council; preparing Requests for Payment to the CDBG Program; preparing a response to a CDBG Program monitoring letter; preparing a contract closeout; and time spent with CDBG staff during monitoring visits.

CODE ENFORCEMENT

Code enforcement can be a component of a Housing Rehab activity or it can be a Public Service and provided as a separate activity. Code enforcement includes the provision of information, education and, as appropriate, enforcement of existing codes relating directly to housing. Examples are: the quality of electrical and plumbing elements, garbage collection, trash removal, the removal of old vehicles and machinery, painting of homes and other items which normally impact on health, safety, and sometimes the aesthetic quality of the neighborhood. All items on which staff expends time or other resources (i.e. costs associated with the printing of information or the presentation of workshops or meetings) must be specifically related to an item in a housing-related code. Code enforcement is usually considered to be a significant component of any neighborhood revitalization effort. This effort may have other components that are NOT code enforcement. These are discussed below.

(Note: Documentation of other public or privately funded improvements, rehabilitation and services must be provided along with the application, and these must "...be expected to arrest the decline of the area." Examples would include: local government funds expended for street improvements, the privately funded construction of a new grocery store, a bank funded or self-help housing rehabilitation program targeted toward the area along with related services.)

Public Services Relating to Neighborhood Revitalization

As part of a neighborhood revitalization effort, a community may also wish to create or expand a range of public services, which can be provided by the same staff who implement the code enforcement activity. The community may request funds to pay staff and related expenses to develop Block Watch programs, neighborhood clean-up and beautification campaigns (on public or commercial property), energy conservation campaigns, drug awareness and drug free zone programs and related actions. In most cases, these actions would be CDBG fundable as a Public Service Activity (see Section 2 of this handbook).

UTILITY CONNECTION OF RESIDENTIAL PROPERTIES AS HR ACTIVITY VS. PUBLIC FACILITY

Connections as a Public Facility

If the proposed activity will install first time service water or sewer lines with CDBG funds in an area that has been documented to be at least fifty-one percent (51%) LM, the applicant is required to verify that the LM residents will benefit from the project, and thus that the project will meet a N.O. These connections are defined as “a line starting on the private property just adjacent to the public right of way (ROW) which is installed across the private property and to the house.” Such an action will require that each property owner sign a release allowing such construction to take place on his/her property. CDBG will require that some minimum percentage of all homes in the area be connected within a given period after the CDBG-funded improvements in the public ROW are completed to document benefit. The applicant will also be required to provide documentation that there is an ordinance or other legal mechanism to require connection within a reasonable period (i.e. owners are only allowed to pump their septic tanks once before they must connect to the sewer line).

The entire project (i.e. the lines and any other components of the project such as water tanks, treatment facilities, lift stations etc.) on public property, as well as, the lines on private property are considered to be one (1) activity, namely a Public Improvement. The connection component is NOT considered HR and the community does NOT need to individually income qualify homeowners or have signed agreements with rental property owners. As a result, all property owners can be connected up regardless of income, because the SA has been demonstrated to be LM.

If the proposed project does not include funds for the actual connections, the applicant will have to verify the likelihood that homes will be connected within a given time period, based on the cost of the connection and other funding to subsidize the LM or at least the very low income persons. Further, if funded, the contract will have a special condition relating to this requirement (i.e. requiring periodic reports on the number of homes connected, identifying other funding sources for the connections and agreeing to repayment of some or all of the funds if a minimum level of hookups is not achieved).

Connections as Housing Rehabilitation (HR)

If a community proposes to install lines on private property ONLY in order to provide homes with access to water or sewer services and NO lines or other project components will be constructed or installed with CDBG

funds on any public land or public ROW, then the activity is considered HR. In this case, the applicant does not need to define a SA or document the income level of persons in the area. Rather, each homeowner will be individually income qualified before connection assistance is provided in the form of a grant, loan, loan guarantee, etc. Rental property owners are required to sign LBCs verifying that the majority of the tenants will be LM and will pay “affordable rents.”

In instances in which some lines in the public ROW must be installed to allow the HR to take place but the entire SA has not been documented to meet a N.O. (normally a LM area-wide benefit), the applicant must document that: a) funds will be provided for these lines from a non CDBG source; or b) the applicant has also applied for a separate Public Facilities activity, with each SA limited to the LM household to be served.

DISPLACEMENT AND HOUSING REHABILITATION

Applicants should be aware that the Uniform Relocation Act and its implementing regulations apply to a housing rehabilitation activity if a person permanently moves from real property as a direct result of the rehabilitation or demolition of the property. (See also Section 2.3.4-9, Last Resort Housing.) Generally, this occurs only when rental property is rehabilitated and a tenant is required to move because the owner fails to provide timely required notices, the owner fails to pay the actual, reasonable out-of-pocket expenses for a temporary move, the conditions of the temporary move are unreasonable, or the tenant is not provided with the opportunity to lease a suitable, affordable unit in the project.

The income determination to qualify a unit for rehab must include the income of all persons in the household regardless of familial status.

HOUSING REHABILITATION

Minimum Standards

It is recommended that residential property rehabilitated with CDBG assistance meet federal Housing Quality Standards (HQS), at a minimum, upon completion of the rehabilitation.

However, the CDBG Program recognizes that in some communities there is a great need for more limited rehabilitation assistance. Thus, an applicant may request approval of a standard less than HQS if a written rationale is provided with the application. The CDBG Program requires that the Housing Rehabilitation Guidelines (HRGs) (which the grantee must adopt prior to initiating the program) include attempts at determining whether all units assisted meet HQS at the time CDBG assistance is provided even if the unit is not brought up to this code at that time. For example, an applicant requesting funds for an emergency repair HR program, can propose to use HQS as the basis for the work write-up even though only emergency conditions in the unit would be eligible for CDBG assistance. In this way, information is available when the community has sufficient funds to bring homes up to code.

Housing Rehabilitation Guidelines (HRGs)

Recipients must adopt and submit to ADOH for approval, formal housing rehabilitation policies as follows:

A. Owner-Occupied Housing Rehabilitation Guidelines (HRG's)

Recipients are required to develop and have their governing body adopt via a resolution or motion, policies for their owner-occupied housing rehabilitation program policies which are known as Housing Rehabilitation Guidelines or HRG's. Recipients will then implement their program following the adopted HRG's. HRG's must be submitted to ADOH in digital format and must be approved by ADOH prior to a submission of an application for Housing Rehabilitation funding. HRG's must include but are not limited to the following:

1. Program Design (i.e. targeted revitalization area, other funding sources used for the program, other activities occurring in the targeted revitalization area).
2. Staffing and Administrative Structure.
3. Rehabilitation Standard (minor, substantial, remove all code violations, etc.).
4. A plan to promote Green Technologies and the use of alternative energy sources. These may include the solar energy, tank-less water heaters and water harvesting and reuse. These are above and beyond ADOH minimum energy efficiency requirements which must be adopted in Housing Rehabilitation Guidelines.
5. Marketing and advertising methods.
6. Application and wait list procedures.
7. Method of determining the scope of work for the potential beneficiary property.
8. Unit inspection, work write-up, cost estimate, bidding processes, contractor selection. Construction must be performed by a licensed general contractor. A management entity acting in place of a general contractor is not permitted. General contractors or any of their subcontractors must not appear on the Federal Excluded Parties List and must have met all the licensing and insurance requirements for the ROC.
9. Recipients are to adopt a schedule of contractor payment that is based on reimbursement for completed work and includes a minimum retainer for each draw of ten percent (10%). Recipients may choose to adopt an alternative payment schedule that would provide for even greater retention. For example: Twenty percent (20%) of total contract upon completion of thirty percent (30%) of the work; additional twenty percent (20%) upon completion of fifty percent (50%) of the work; additional forty percent (40%) upon completion of one hundred percent (100%) of the work and submission of lien waivers from subcontractors; and final twenty percent (20%) plus change orders upon completion of all punch list items and a final lien waiver from the general contractor. Final Draw must not be released until final inspections are completed, the rehab specialist and the homeowner have signed and accepted all repairs and the general contractor has provided all necessary lien waivers.
10. Pre-construction Conference.
11. Construction inspection process.
12. Housing maintenance counseling services; for example: changing filter pads, servicing furnace, warranty review for new systems.
13. Homeownership education; for example: budgeting, timely mortgage payments, maintaining homeowner's insurance.
14. Examples of construction contract, deed of trust and promissory notes.
15. Loan closing and lien recordation process.

16. Method for determining after-rehabilitation value.
17. Loan servicing policies and procedures, including lien release procedures.
18. Grievance and quality assurance procedures which allow for an escalation of the homeowner's grievance (i.e. Step 1: Homeowner raises grievance verbally with direct rehabilitation program staff. If grievance is not resolved, Step 2: Homeowner submits written grievance to Town or City Manager. Finally, if written grievance is not resolved then, Step 3: Homeowner grievance goes to a mutually agreed upon third party moderator.).
19. Program income accounting and return procedures which outline the process the applicant will follow to return income that has been generated by the use of SHFs to ADOH.
(Note: ADOH does not allow the recipient to retain and re-use Program Income.)
20. Policy addressing the refinancing of existing debt or home equity loans after completion of rehabilitation and prior to loan repayment or expiration of the recapture period. The policy must at minimum contain the following language: 1) loan subordination will only be allowed when the refinancing results in a fixed rate, lower monthly payment; and 2) loan subordination will not be allowed under any circumstances for a cash-out refinancing. As an alternative, the applicant may disallow subordination under any circumstances.

Recipients should also consider program policies and procedures that address but are not limited to the following:

1. Pets (i.e. number allowable per local code if applicable and temporary relocation of pets during construction/rehabilitation).
2. Sanitary conditions of the unit prior to receiving assistance (i.e. animal feces/urine, unhealthy indoor air quality, excessive clutter in home which obstructs inspection, etc.).
3. Excessive debris on the property which is in violation of local code or which obstructs or causes a safety hazard for workers.

B. Energy Efficiency Requirements

All projects are to be weatherized in accordance with the ADOH published Weatherization Standards for OOHHR Housing Rehab (Issued 10/12/12, REV. 11/18/13) and located at: <https://housing.az.gov/documents-links/forms/state-housing-fund> In most cases it would be preferable to have the BPI Certified Professional conduct the more complex weatherization work, such as air sealing the attic, though it can be done by any contractor knowledgeable of weatherization practices.

Applications must include a copy of the written document from ADOH acknowledging the receipt of the applicants digital HRGs as well as a copy of the written document from ADOH approving the HRGs. The date of these two (2) notifications from ADOH must be prior to application due date.

Once the CDBG Program has approved a grantee's HRGs, such must also be approved/adopted by the local governing board (council or board of supervisors). Revisions to the HRGs may be approved by the council/board or by those authorized to approve administrative actions by the CD 1. HRGs must be readopted by the council/board for each new housing rehab contract. Documentation of approval or revision actions must be provided to the CDBG Program.

HOME OWNERSHIP ASSISTANCE

Housing Counseling Requirement

For programs assisting persons with the purchase of a home, the CDBG Program requires that counseling be provided as part of the program. The counseling should include items such as: responsibility and cost of maintaining the home, credit counseling, etc. Such counseling services must be performed by experienced staff, or training for staff must be identified by the community.

Homeowner Assistance Guidelines

Before releasing funds for any Homeowner Assistance (HOA) activity, the grantee must submit Homeowner Assistance Guidelines (HOAGs) to the CDBG Program for review and approval. The HOAGs must at least address the following topics:

- Program Design and Objectives;
- Marketing Plan (Describe all outreach activities and the manner in which the program will be affirmatively marketed);
- Homebuyer application and qualification process (Describe the application process, eligibility criteria, minimum and maximum income required for different size units, special needs targeting or priority populations, waiting list procedures and resources and referrals for non-qualifying applicants);
- Financial underwriting standards (Describe the parameters that will be used to identify the appropriate mortgage financing and determine down payment and closing cost amounts based on debt coverage, loan to value ratios, and minimum homebuyer contributions);
- Organizational plan (Describe all staff members involved with executing the proposed program and briefly describe their qualifications and job responsibilities);
- Property Inspections;
- Complaint resolution process;
- Homebuyer education curriculum (Must be provided by a third party. Detail the homebuyer curriculum that will be used in the homebuyer education. Describe the manner in which the homebuyer education will be provided);
- Homebuyer counseling (Describe the manner in which one-on-one financial counseling will be available to potential buyers);
- Loan servicing plan;
- Complaint resolution process;
- Site and Design Selection Process; and
- Insurance requirements or waiver process.

Additional information and sample HOAGs can be obtained by contacting the CDBG program.

Applicants are not required to submit their HOAGs along with their applications. However, the CDBG Program encourages applicants to prepare a draft as part of the application process, because the applicant should determine many of the elements addressed in the HOAGs before the application is submitted. For example, the program design (i.e. grants, loans, or forgivable loans, maximum and minimum amounts, any specific target groups or areas, and type and provider of housing counseling) must be discussed in the application itself and is the basis for the HOA budget that appears in the application.

Once the CDBG Program has approved a grantee's HOAGs, it may continue to use the same HOAGs from year to year, either by: a) notifying the CDBG Program in writing that no changes have been adopted; or b) providing the CDBG Program with a copy of any revisions.

HOUSING MARKET ANALYSIS FOR NEW HOUSING CONSTRUCTION

Purpose of the Analysis

One (1) of the main goals of a housing market analysis is to determine if there is a demand for housing (for the population already identified) in the SA by a specific population or whether such a demand can be stimulated. The market study will focus on demand or market vs need, which are two (2) different concepts. Need is a social concept; demand is an economic concept. There can be a great need for something but no demand or market. For project underwriting or feasibility analysis, the focus must be on demand.

The focus is to gather data and interpret it in a way that allows you to make projections about rents, sales prices and typical buyers. The word “projection” is key to the function of a market study. Timing is a key element (i.e. the developer asks “How long will it take me to complete this project?”) The impact on cash flow (developers rarely want to get involved in projects that will take more than two (2) years to complete). Also, the longer the projection horizon, the higher the risk that the projections will not be accurate, as conditions are likely to change. Thus, normally the study includes a five (5) year time period: the current situation, the situation for the past two (2) years and projections for the next two (2) years.

The study must be recent (i.e. within the past year). Additionally, the data must be recent (i.e. within the past three (3) months). Census data in most parts of Arizona is valuable only as confirmation of current information because conditions have changed dramatically since 1989.

General Concepts

The market study must determine the market risk: If we build it, will they come? Who is the market designed to serve? Are there a sufficient number of households who can afford these units? Does the project respond to what the target households want in terms of location, space, amenities, etc.? What is the competition and does this project replace or compete with existing projects?

Required Data

The market study or analysis should respond to the following types of questions. In all cases, sources of data should include: the census, the state’s Consolidated Plan and Annual Update, COG regional studies and any other applicable data.

Population

Current Population

- Who currently lives in the area?
- What are their incomes and occupations?
- Are people moving in or out of the area?
- What is the average age and family size?

New Population

- If the project aims at a population that is not currently in the area, a more detailed marketing strategy (and back up data) is necessary

Data Sources

- Census
- Planning Department information

Homeownership

- What percent of the housing is owned by homeowners vs. investors?
- Is this percentage increasing, decreasing or remaining stable?

Sources

- Tax Assessors office

Vacancy Rates

- What percent of the units are vacant? (Normal vacancy rates are under five percent (5%) for houses and a little more than five percent (5%) for apartments.)

Sources

- Visual survey
- Census

Sales Data

- What is the average sales price in the area?
- Is the listing price vastly different from the sales price?
- What are average rents?
- How long do units remain on the market before they are rented or sold?

Sources

- Real estate agents or Board of Realtors
- Newspaper listings

Competition

- Are there other developments in the area in competition with this venture?
- What are other developers' products?
- What are their markets and target populations?
- How are they doing?
- What developments are being considered (i.e. on the drawing board)?

Sources

- Competitor advertising (flyers, newspaper, etc.)
- Visit the project and sales agents
- Local building permit/planning department regarding building, remodeling or change of use permits, zoning change requests, sales of land or buildings etc.

Amenities

- What schools, shopping, parks, hospitals and other community services are available?

- Are there any special features in the area?

Purchasing Power

- What is the status of the current mortgage market and economic forecasts?
- Based on trends in employment, mortgage rates, and products, will the target population be able to afford your product?
- Are there any special mortgage products available for your target population?
- Are there any special economic assistance products for your target population?

Translating Need into Demand

To determine the demand for a project, follow these four (4) steps:

1. Determine the number of households whose income falls within the allowable range of the program.
2. Eliminate those households whose income is too low to be able to afford the housing at its projected cost.
3. Eliminate those households with other alternative: those near the maximum income limit who can afford private market housing and those households below fifty percent (50%) of median income who qualify for rental assistance.
4. Determine the capture/absorption rate by estimating how much of the market will be captured by this project and how quickly the project can absorb market demand.

**FINANCIAL INFORMATION RENTAL NEW CONSTRUCTION
ACQUISITION/REHABILITATION**

Development Budget Sources

Full disclosure of all financing sources available is required. Letters of Commitment must be attached. If after submittal of the application, *additional* financing sources are obtained, these must be immediately reported to the Department. Additionally, the Department may require a final uses and sources review if all sources are not firm at the time of application.

- Column A** Identify all sources of the pre-development and construction period financing.
- Column B** Include here only funding sources that are firmly committed at the time of application submittal.
- Column C** Include here only funding sources that are tentative (including funding requested in this application) that is tentative at the time of application submittal.
- Column D** Indicate whether this commitment is a grant or a loan that must be repaid. All commitment letters must be attached.
- Column E** Include date(s) other tentative funding sources were applied for.
- Column F** Include the date(s) of expected award notification for other tentative funding sources.

A	B	C	D	E	F
Source	Funds Committed	Tentative	Loan or grant	Date applied	Date of notification
CDBG FUNDS <i>(Do not include administrative funding)</i>		\$			
1.	\$				
2.					
3.					
4.					
Total Amount of Financing (Column B + Column C)	\$				

Permanent Financing Sources

Permanent financing sources should equal development financing and the total development costs.

A	B	C	D	E	F
Source	Funds Committed	Tentative	Loan or grant	Date applied	Date of notification
CDBG funds <i>(Do not include administrative funding.)</i>	\$				
1.	\$				
2.					
3.					
4.					
Total Amount of Financing (Column B + Column C)	\$				

Development Budget Uses

Project Name: _____

Development Budget	Total Cost	CDBG Requested	Describe the anticipated/estimated source(s) of funding		
			Source #1	Source #2	Source #3
Land					
Buildings					
Closing Costs					
Legal Fees					
TOTAL					
Site Work					
Demolition					
TOTAL					
New construction					
Builder Fee					
Builder Overhead					
Builder Profit					
General Requirements					
Permits & Fees					
Construction Contingency					
Sales Tax					
Other - (Itemize)					
TOTAL					
Rehab					
Builder Fee					
Builder Overhead					
Builder Profit					
General Requirements					
Permits & Fees					
Construction Contingency					
Sales Tax					
Other - (Itemize)					
TOTAL					

Development Budget Uses continued

Project Name: _____

Development Budget	Total Cost	CDBG Requested	Describe the anticipated/estimated source(s) of funding		
			Source #1	Source #2	Source #3
Design					
Supervision					
TOTAL					
Survey & Engineering Fees					
Soils Report					
HUD Environmental Review					
Phase I Environmental					
TOTAL					
Construction Interest					
Origination Fee					
Bond Premium					
Title & Recording					
Insurance					
TOTAL					
Loan Origination Fees					
Other - (Itemize)					
TOTAL					
Legal Fees					
Other - (Itemize)					
TOTAL					

Development Budget Uses continued

Project Name: _____

Development Budget	Total Cost	CDBG Requested	Describe the anticipated/estimated source(s) of funding		
			Source #1	Source #2	Source #3
Developer Fee					
Developer Fee					
Consultant Fee					
Construction Management Oversight					
Other - (Itemize)					
TOTAL					
Market Study					
Appraisal					
Soft Cost Contingency					
Marketing					
Furniture, Fixtures and Equipment					
Operating Reserves					
Maintenance Reserves					
Other - (Itemize)					
TOTAL					

PROJECT OPERATION - PERMANENT/TRANSITIONAL HOUSING

(Emergency or temporary housing projects do not complete this section.)

Rental Assistance/Subsidies

Applicants indicating that a positive cash flow will be dependent on project based rental assistance, tenant-based rental assistance (Section 8 certificates or vouchers, etc.) or other subsidies **must provide Letters of Commitment.**

Yes No

Will any low-income tenants receive rental assistance?

If yes, check the box(s) which indicate the type of rental assistance:

- Section 8 Certificates
- Section 8 Vouchers
- Project Based Rental Assistance. Source: _____
- Other (specify): _____

Monthly Utility Allowance Calculations

Applicants must obtain current utility allowances from the local Public Housing Authority (PHA). Complete the chart below with the information provided by the local PHA.

Name of Public Housing Authority: _____

Monthly Utility Allowance Breakdown								
Utility	Type (gas, electric, oil, etc.)	Utilities paid by (must check one)		Enter allowances by bedroom size				
		Owner	Tenant	0 BR	1 BR	2BR	3BR	___ BR
Heating				\$	\$	\$	\$	\$
Air Conditioning								
Cooking								
Lighting								
Hot Water								
Water								
Sewer								
Trash								
Total utility allowance by unit size:				\$	\$	\$	\$	\$

Project Unit Rents

Rent must be adjusted for tenant-paid utilities.

A	B	C	D	E	F
No. of Bedrooms	Unit Size (sq. ft.)	No. of State-assisted Units	No. of other Units	Monthly Rent per Unit	Total Monthly Rent (C * E) or (D * E)
0				\$	\$
1					
2 P;					
3					
4					
Other:					
Totals:					
Total Monthly Rental Income:				\$	

Monthly Income from All Sources

A. Total Monthly Rental Income (from above):		\$
B. Project Operating Subsidy (identify the source):		\$
C. Other Monthly Income (i.e. laundry, etc.) (identify the sources):		\$
D. Less Vacancy Allowance:	%	- ()
E. Total Monthly Income (all sources): [A+B+C-D]		\$

Monthly/Annual Income and Expenses

Rental Income		
	Monthly	Yearly
Total income:	\$	\$
Administrative Expenses		
Management Fees (up to 6% of gross monthly rent)		
Site Manager (if applicable)		
Legal/Accounting/Audit		
Affirmative Marketing		
Office Supplies		
Other (specify)		
Total administrative expenses:	\$	\$
Operating Expenses		
Owner-paid Utilities <i>(based on PHA estimates or other demonstrable cost information)</i>		
Insurance		
Trash Removal		
Other (specify)		
Total operating expenses:	\$	\$
Maintenance Expenses		
Interior Maintenance/Repairs		
Exterior Maintenance/Repairs		
Total maintenance expenses:	\$	\$
Real Estate Taxes <i>(or indicate if waived or exempt)</i>		
Operating Reserve		
Replacement Reserve		
Other (specify)		
Other (specify)		
Total expenses:	\$	\$
Net Income after expenses:	\$	\$
Debt Service		
1 st Mortgage to: _____		
2 nd Mortgage to: _____		
Other debt/distributions		
Other debt/distributions		
Total debt service:	\$	\$
Net Income after expenses and debt service:	\$	\$

Transitional and Permanent Housing Projects with Services

Service Fees

Indicate the amount of service fees that will be charged. Service fees are in addition to housing rental charges.

Service Fees: \$ _____ per individual per household

If the fees are not flat, describe how the fees are calculated: _____

Social Services to Special Populations

If special social services will be available, describe in detail the kinds of services and who will provide them:

Uses of Funding for On-going Operations

- Column A** If a specific use of funds is not listed, indicate the type of use in "Other" box.
- Column B** Indicate amount funded by all other funding sources.
- Column C** Indicate amount funded by all other funding sources.
- Column D** Indicate the total amount of columns B and C for the specified use.
- Column E** Indicate the source(s) to be used for numbers provided in column C.

A	B	C	D	E
Activity	Other Sources	Other Sources	Total All Sources	List Other Source(s)
Administrative Expenses				
Management				
Site manager				
Legal/Accounting/Audit				
Office Supplies				
Other (specify)				
Operating Expenses				
Utilities				
Insurance				
Other (specify)				
Maintenance:				
Interior Maint./Repairs				
Exterior Maint./Repairs				
Other (specify)				
Other: _____				
Other: _____				
Totals:	\$	\$	\$	

NEW OWNER-OCCUPIED NEW CONSTRUCTION/ ACQUISITION/REHABILITATION

Budget Statements

The Sources and Uses statements for the Development period should be kept separate from the Sources and Uses statements for Permanent Financing. Therefore, there are two (2) separate sections that must be completed.

Development Budget Sources

Full disclosure of all financing sources available is required. Letters of Commitment must be attached. If after submittal of the application, *additional* financing sources are obtained, these sources must be immediately reported to the Department. Additionally, the Department may require a final uses and sources underwriting if all sources are not firm at the time of application.

- Column A** Identify all sources of the pre-development and construction period financing.
- Column B** Include here only funding sources that are firmly committed at the time of application submittal.
- Column C** Include here only funding sources that are tentative (including funding requested in this application) that is tentative at the time of application submittal.
- Column D** Indicate whether this commitment is a grant or a loan that must be repaid. All commitment letters included should clearly state the terms of repayment of any loans.
- Column E** Include date(s) other tentative funding sources were applied for.
- Column F** Include the date(s) of expected award notification for other tentative funding sources.

<i>List here all sources to be used during the development phase (i.e. initial acquisition, construction sources). Do not include sources that are SOLELY for the permanent financing of the homes.</i>					
A	B	C	D	E	F
Source	Funds Committed	Tentative	Loan or grant	Date applied	Date of notification
CDBG (Do not include administrative funding, or any permanent financing costs.)		\$			
1.	\$				
2.					
3.					
Total Amount of Financing: (total of columns B and C)	\$				

Development Budget Uses

- Column A** If a specific use of funds is not listed, indicate the type of use in "Other" box.
- Column B** Indicate the amount of State Housing Funds being requested for this specific use.
- Column C** Indicate amount financed by all other funding sources.
- Column D** Indicate the total amount of columns B and C for the specified use.
- Column E** Spell out the source(s) name for sources indicated in column C (i.e. bank loan, CDBG)

A	B	C	D	E
Activity	CDBG	Other Sources	Total All Sources	Source(s)
Acquisition and Site Improvements:				
Land	\$	\$	\$	
Building(s)				
Closing Costs				
Off-Site				
On-Site Infrastructure				
Demolition				
Total Acquisition and Site Improvements:		\$		
Construction/Rehabilitation Costs:				
Direct Construction				
Constr. Contingency				
Permits/Fees for Construction				
Builder Fee				
Total Construction/Rehabilitation Costs:		\$		
Administrative Costs				
Developer Fee				

A	B	C	D	E
Activity	CDBG	Other Sources	Total All Sources	Source(s)
Professional Fees:				
Architectural Design				
Arch. Supervision				
Engineering Fee				
Legal Fees				
Soils Report				
Environmental Review				
Construction Period Costs:				
Construction Loan Fee				
Construction Interest				
Insurance				
Constr. Period Taxes				
Title and Recording				
Other: _____				
Miscellaneous Soft Costs:				
Market Analysis				
Marketing/Advertising				
Appraisal				
Project Audit				
Other: _____				
Other Project Costs:				

A	B	C	D	E
Activity	CDBG	Other Sources	Total All Sources	Source(s)
Other: _____				
Other: _____				
Landscaping				
<i>Totals</i>	\$	\$	\$	

PERMANENT FINANCING

Permanent Sources

Full disclosure of all financing sources available is required. Letters of Commitment must be attached. If after application submittal, additional financing sources are obtained, these sources must be immediately reported. Additionally, the Department may require a final uses and sources review.

- Column A** Identify all sources of permanent financing, including contributions by homebuyers, permanent mortgages, and funding sources (incl. CDBG Funds) to be utilized to fund any gaps between what the homebuyer can afford and the cost of development or sales price (whichever is higher).
- Column B** Include here only funding sources that are firmly committed at the time of application submittal. Documentation supporting the firm commitment must be included..
- Column C** Include here only funding sources that are tentative (including funding requested in this application) that is tentative at the time of application submittal.
- Column D** Include date(s) other tentative funding sources were applied for.
- Column E** Include the date(s) of expected award notification for other tentative funding sources.

Mortgages, Homeowner Contributions, Other Permanent Subsidy Sources				
A	B	C	D	E
Source	Funds Committed	Tentative	Date Applied	Date of Notification
CDBG Permanent Subsidies		\$		
Homebuyer Contributions (minimum of \$1,000/ household)	\$	\$		
First Mortgages <i>(Total homebuyers expected to qualify for)</i>	\$	\$		
Second Mortgages	\$	\$		
Other Permanent Sources	\$	\$		
Total Financing: <i>(Columns B +C)</i>	\$			

Uses of Permanent Financing

- Column A** If a specific use of funds is not listed, indicate the type of use in "Other" box.
- Column B** Indicate the amount of State Housing Funds being requested for this specific use.
- Column C** Indicate amount financed by all other funding sources.
- Column D** Indicate the total amount of columns B and C for the specified use.
- Column E** Spell out the source(s) name for sources indicated in column C (i.e. bank loan, CDBG)

A	B	C	D	E
Activity	State Housing Funds	Other Sources	Total All Sources	Source(s)
Closing Costs	\$	\$	\$	
Sales Fees if	\$	\$	\$	
Cost of Unit	\$	\$	\$	
Other	\$	\$	\$	
Totals	\$	\$	\$	

Housing Development Cash Flow Statement

Applicants may substitute a computer generated cash flow statement using an alternate format as long as all information requested below is provided in that statement.

- Line 1** Indicate the number of new housing starts that will occur in each month.
- Line 2** Indicate each month's total project expenses.
- Line 3** Indicate how many PERMANENT closings will occur in each month.

Month:	1	2	3	4	5	6
Number of Housing Starts						
Monthly Project Expenses						
Number of Closings						
Month:	7	8	9	10	11	12
Number of Housing Starts						
Monthly Project Expenses						
Number of Closings						
Month:	13	14	15	16	17	18
Number of Housing Starts						
Monthly Project Expenses						
Number of Closings						

HOME BUYER FINANCING

Expected Mortgage Terms

Indicate the expected mortgage terms of permanent financing for homebuyers. Applications must include commitments from potential mortgage lenders. Letters of Commitment must be attached.

Term of Loan in Years:		Expected Interest Rate(s):	
Average Annual Property Tax:			\$
Annual Private Mortgage Insurance Premium:			\$
Monthly Homeowner's Association Dues (if applicable):			\$
Other Mortgage Terms (if not conventional financing -explain):			

Debt Coverage Ratio

Indicate the expected debt coverage ratio standards that your agency will use in qualifying families under your program.

1st Ratio (PITI/income): _____ % 2nd Ratio (PITI +Recurring Monthly Obligations/Income): _____ %

Financing Gap for New Development

Complete for each unit size in the project. Attach additional sheets if necessary

Financing Gap for New Development			
Unit Size (square feet)		Number of Bedrooms	
Monthly Taxes	\$	Monthly Insurance	\$
Estimated Appraised Value	\$	Estimated Closing Costs	\$
a. Cost to Build	\$		
b. Mortgage Amount (Targeted Income)	\$		
c. Minimum Down Payment (Buyer's Contribution)	\$		
Anticipated Financing Gap	(a - b - c) \$	x No. of Units	= Total Gap \$

Unit Size (square feet)		Number of Bedrooms	
Monthly Taxes	\$	Monthly Insurance	\$
Estimated Appraised Value	\$	Estimated Closing Costs	\$
a. Cost to Build	\$		
b. Mortgage Amount (Targeted Income)	\$		
c. Minimum Down Payment (Buyer's Contribution)	\$		
Anticipated Financing Gap	(a - b - c) \$	x No. of Units	= Total Gap \$
Unit Size (square feet)		Number of Bedrooms	
Monthly Taxes	\$	Monthly Insurance	\$
Estimated Appraised Value	\$	Estimated Closing Costs	\$
a. Cost to Build	\$		
b. Mortgage Amount (Targeted Income)	\$		
c. Minimum Down Payment (Buyer's Contribution)	\$		
Anticipated Financing Gap	(a - b - c) \$	x No. of Units	= Total Gap \$
Unit Size (square feet)		Number of Bedrooms	
Monthly Taxes	\$	Monthly Insurance	\$
Estimated Appraised Value	\$	Estimated Closing Costs	\$
a. Cost to Build	\$		
b. Mortgage Amount (Targeted Income)	\$		
c. Minimum Down Payment (Buyer's Contribution)	\$		

Anticipated Financing Gap	\$ (a - b - c)	x No. of Units	\$ = Total Gap
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Project Site Information

- Scattered Site.** May identify sites after application but must acquire or lease properties within 90 days of executing contract with the Department.
- Single Site.** Must have property identified at time of application. Must acquire or lease properties within 90 days of executing contract with the Department.
 - Sites have been identified - information on these sites is provided below. Complete the project location and acquisition information for each site. Attach additional pages if necessary.
 - Sites to be identified.

Project Location and Acquisition Information

Complete for each site to be acquired. Copy and attach additional pages if necessary.

<input type="checkbox"/> Single Site		<input type="checkbox"/> Scattered Site # _____	
Address:			
City/Zip:			
The site has been or will be acquired from:		a related party <input type="checkbox"/>	an unrelated party <input type="checkbox"/>
Name of Seller			
Address			
City/State/Zip		Phone Number	
Total Cost of Site	\$	Cost includes: Land only <input type="checkbox"/>	Land and building(s) <input type="checkbox"/>
Does the site include acreage in excess of what will be used for this housing project? No <input type="checkbox"/> Yes <input type="checkbox"/>			
If yes, explain:			
<input type="checkbox"/> Single Site		<input type="checkbox"/> Scattered Site # _____	
Address:			
City/Zip:			
The site has been or will be acquired from:		a related party <input type="checkbox"/>	an unrelated party <input type="checkbox"/>
Name of Seller			
Address			
City/State/Zip		Phone Number	
Total Cost of Site	\$	Cost includes: Land only <input type="checkbox"/>	Land and building(s) <input type="checkbox"/>
Does the site include acreage in excess of what will be used for this housing project? No <input type="checkbox"/> Yes <input type="checkbox"/>			
If yes, explain:			

SECTION 11. REFERENCE INFORMATION

MEDIAN INCOME GUIDELINES

HUD updates the Median Income Guidelines on an annual basis. You may download the information from the following HUD website:

<https://www.hudexchange.info/programs/home/home-income-limits/>

Income limit charts can also be obtained from the ADOH website: <https://housing.az.gov/documents-links/forms/rent-limits>

AFFORDABLE RENTS

The State of Arizona Department of Housing (ADOH), Community Revitalization/CDBG Program has defined affordable rents as follows:

- A maximum of thirty percent (30%) of the total family income, to include utilities (if these are not included in the rent) based on the utility schedule used by the Public Housing Authority within the city or town, or if there is no city or town PHA, the county PHA. If none exists, please contact the CDBG Program for assistance. The rent level in a community may not exceed the annual Fair Market Rent level within the county. The applicant must make public its standards for determining affordable rents.
- The applicant may, at its discretion, use rents other than those used by the PHA. However, it must first notify the CDBG Program in writing of its decision and the rationale for the decision. If the ADOH has not contacted the applicant within ten working days of its receipt of the applicant's request, the applicant may assume the State has approved the request. Should this be the case, the applicant then needs to make public its standard for determining affordable rents.

FAIR MARKET RENTS

Please refer to the following website for the latest fiscal year information:

<https://www.huduser.gov/portal/datasets/fmr.html> SLUM AND BLIGHT STATUTES

Article 3: Slum Clearance and Redevelopment

Please see www.azleg.state.az.us/arizonarevisedstatutes.asp for A.R.S. § 36-1471 and 36-1473, SLUM CLEARANCE AND REDEVELOPMENT.

EMPLOYMENT OF CONTRACTORS

Article 1. Bids and Estimates

Please see www.azleg.state.az.us/arizonarevisedstatutes.asp for A.R.S. § 34-201, EMPLOYMENT OF CONTRACTORS.

SECTION 12. GLOSSARY

ABBREVIATION	DEFINITION
4010	The specific federal labor standards required by HUD for all CDBG contracts, which must be included in all "covered" construction contracts
A	Amendment
A/B	Applicant/Beneficiary Data
AC	Advisory Council on Historic Preservation (ERR related)
ACQ	Acquisition, indicates desk monitoring and all forms relating to such
ACT	The Housing and Community Development Act of 1974 as amended, HUD implementing regulations and operating instructions
ADA	Americans with Disabilities Act
ADDAG	Americans with Disabilities Act Accessibility Guidelines
ADEQ	Arizona Department of Environmental Quality
ADHS	Arizona Department of Health Services
ADOH	Arizona Department of Housing
ADWR	Arizona Department of Water Resources
AFDC	Aid to Families with Dependent Children (federal welfare program)
AFFH	Affirmatively Further Fair Housing
APE	Area of Potential Effect (ERR related)
APZ	Accident Potential Zone
ARF	Application Review Form
ASD	Acceptable Separation Distance (ERR related)
ATUGF	Authority to Use Grant Funds (formerly known as a Release of Funds/ERR related)
BG	Block Group, from Census
BNA	Block Numbering Area, from Census
BOD	Bid opening date
BOR	Business Opportunities Report - the section of the CO that provides information about all goods and services procured with CDBG and other funds
C-#	This letter followed by one (1) or more numbers, identifies memos, letters, the actual CO Report and other closeout related documents

CAG	Central Arizona Association of Governments - one (1) of the four (4) rural COGs; it services Region V, encompassing Gila and Pinal Counties
CBDO	Community Based Development Organization
CCF	Construction Contract File
CDA	Census Designated Area (i.e. BG, BNA, or CT)
CDBG	Title I of the Housing and Community Development Act of 1974, as amended; Community Development Block Grant Program
CDFI	Community Development Financial Institution, defined by Title I of the Reigle Community Development and Regulatory Improvement Act of 1994
CE	Categorical Exclusion (ERR related)
CEDC	Commerce and Economic Development Commission (Commerce Program)
CEQ	Council on Environmental Quality
CFDA	Catalogue of Federal Domestic Assistance
CFR	Code of Federal Regulations (regulations published in the Federal Register)
CHAS	Comprehensive Housing Affordability Strategy
CHDO	Community Housing Development Organization (HOME related)
CLC	Communication Letter Change
CO	Closeout
COE	U.S. Army Corps of Engineers
COG	A Regional Council of Government
COR	Closeout Report
COSFDA	Council of State Community Development Agencies
CP	Consolidated Plan
CPP	Citizen Participation Plan
CRA	Community Reinvestment Act
CRGs	Commercial (and Industrial) Rehabilitation Guidelines
DB	Davis Bacon Act; also sometimes used to stand for all the federal labor standards with which a "covered" CDBG contract must comply
DBRA	Davis Bacon and Related Acts; often used synonymously with the term "LS" to indicate all of the federal labor standard requirements applicable to a covered CDBG project and resulting contract
DEQ	Department of Environmental Quality, Arizona

DES	Department of Economic Security
DHS	Department of Health Services, Arizona
DOL	Department of Labor (federal agency)
DPL	Deferred Payment Loan
DR	Disclosure Report (due to the CDBG Program before a contract can be issued and returned with signed contract between HOUSING and grantee)
DWR	Department of Water Resources, Arizona
EA	Environmental Assessment (ERR related)
EEO	Equal Employment Opportunities
EIS	Environmental Impact Statement (ERR related)
EO	Executive Order
EPA	Environmental Protection Agency
ERE	Employee Related Expenditure
ERR	Environmental Review Record and the process
EZ/EC	Empowerment Zone or Enterprise Community (federal vs. state designations)
FB	Fringe Benefits as required by the WRD (related to labor standards)
FEMA	Federal Emergency Management Agency
FHBM	Flood Hazard Boundary Map (ERR related)
FHEO	Fair Housing and Equal Opportunity
FIA	Federal Insurance Administration
FIRM	Flood Insurance Rate Map (ERR related)
FLSA	Fair Labor Standards Act; monitoring is not a CDBG responsibility but all grantees must comply
FmHA	Farmers Home Administration (see RD)
FMR	Fair Market Rents
FNMA	Federal National Mortgage Association
FONSI	Finding of No Significant Impact (ERR related)
FR	Federal Register
FTE	Full Time Equivalency (for jobs) OR Full-Time Employee(s)
HAP	Housing Assistance Plan (relates to CDBG entitlements only)
HCDA	Housing and Community Development Act of 1974, as amended

HOA	Homeownership Assistance
HOAGs	Home Ownership Assistance Guidelines
HOPE	Home-ownership and Opportunity for People Everywhere Program
HP	Historic Preservation
HQS	Housing Quality Standards
HR	Housing Rehabilitation and desk monitoring related to HR documents
HRGs	Housing Rehabilitation Guidelines
HTF	Housing Trust Fund, part of State Housing Fund
HUD	Department of Housing and Urban Development (federal agency)
IDA	Individual Development Accounts
IGA	Intergovernmental agreement
ILF	Interim Loan Fund
IRS	Internal Revenue Service
JCR	Job Creation Report (related to economic development)
JOBS	Jobs Opportunities for Basic Skills (federal employment and training program targeted toward AFDC recipients)
JTPA	Job Training Partnership Act (federal employment and training program)
LBC	Legally Binding Commitment
LM	Persons who meet HUD Section 8 income guidelines or activities that comply with the benefit to low and moderate (LM) income national objective requirements
LOI	Letter of Intent to Apply
LOMA	Letter of (Flood) Map Amendment from FEMA (ERR related)
LOMR	Letter of (Flood) Map Revision
LS	Labor Standards; includes DB, CWHSSA, Copeland and the applicable WRD
LS/HB	Arizona Federal Labor Standards Handbook
LSF	Labor Standards File
M	Monitoring
MBE/WBE	Minority (owned) Business Enterprise or Woman (owned) Business Enterprise. This information is reported on the BOR.
ME	Microenterprise
MI	Miscellaneous Income

MOA	Memorandum of Agreement (relative to historic preservation and ERR)
MOD	Method of Distribution of CDBG funds, (i.e. comparative, formula or first in) that determines which applications will be funded, to include the details of the process
MR	Miscellaneous Revenue
MV	On-Site Monitoring Visit
MVL	On-Site Monitoring Visit Follow-up Letter
MVR	On-Site Monitoring Visit Letter Response
MW	Minimum Wage as required by the WRD (related to labor standards)
N.O.	National Objective (there are three (3): LM, SB and UN)
NACOG	Northern Arizona Council of Governments - one (1) of the four (4) rural COGs; it services Region III, encompassing Apache, Coconino, Navajo and Yavapai Counties
NAHA	National Affordable Housing Act of 1990
NAHRO	National Association of Housing and Redevelopment Officers
NCDA	National Community Development Association
NEPA	National Environmental Policy Act of 1969
NHPA	National Historic Preservation Act of 1966
NOFA	Notice of Funds Available
NOI/EIS	Notice of Intent/Environmental Impact Statement (related to ERR)
NOI/RROF	Notice of Intent to Request Release of Funds (related to ERR)
NR	National Register (related to ERR)
NRHL	National Register of Historic Landmarks (related to ERR)
O and M	Operations and Maintenance
OMB	Office of Management and Budget
OOHR	Owner Occupied Housing Rehabilitation Program
OT	Overtime as defined by CWHSSA (related to labor standards)
P/C	Procurement and Contracting and desk monitoring of procurement and contracting documents
PG	Planning Grant (form)
PHA	Public Housing Assistance
PI	Program Income (i.e. income generated from CDBG activities that is subject to all CDBG Program requirements)
PJ	Participating Jurisdiction (in HOME Program)

PLG	Planning Only Grant
PN	Public Notice
PR	Performance Report (of CO)
PS	Public Services
PSA	Public Service Announcement
PTE	Part-Time Employee(s) OR Part-Time Equivalent
RA	Regional Account (which is divided into four (4) sub-accounts, one (1) for each of the four (4) rural COGs)
RCZ	Civilian airport Runway Clear Zone
RD	Rural Economic & Community Development Program (formerly FmHA and RECD, part of USDA)
Reg	Regular Closeout; all funds have been audited
RFP	Request For Payment (F-3) or Request for Proposal
RLF	Revolving Loan Fund
ROD	Record of Decision (related to ERR)
ROF	Release of Funds (related to ERR); now referred to as Authority to Use Grant Funds
RR	Privately Owned Rental Rehabilitation
RROF	Request for Release of Funds (and Certification) (related to ERR)
RVT	Revitalization
SA	Service Area
SAA	Single Audit Act
SB	Slum and Blight
SEAGO	South Eastern Arizona Governments Organization - one (1) of the four (4) rural COGs; it services Region VI, encompassing Cochise, Graham, Greenlee and Santa Cruz Counties
SFFA	Schedule of Federal Financial Assistance in an audit
SHPO	State Historic Preservation Officer
SHPA	State Historic Preservation Act
SIP	State Implementation Plan (related to ERR)
SOC	Start of Construction OR Statement of Compliance (LS-5, related to labor standards)
SS	Special Survey
SSN	Social Security Number

SSP	State Special Projects Account.
TA	Technical Assistance
TAAP	Technical Assistance and Application Preparation (refers only to such services provided by a COG)
TANF	Temporary Assistance for Needy Families; superseded AFDC (Aid to Families with Dependent Children)
TDD	Telephone Device for the Deaf
THPO	Tribal Historic Preservation Officer
UCC	Uniform Commercial Code
UFAS	Uniform Federal Accessibility Standard
UGLG	Unit of General Local Government; also the grantee
UN	Urgent Need
URA	Uniform Relocation Act
USDA	U.S. Department of Agriculture
W/WW	Water/Wastewater
WACOG	Western Arizona Council of Governments, the fourth of the rural COGs; it services Region IV, encompassing La Paz, Mohave and Yuma Counties; and for CDBG purposes, excludes the City of Yuma.
WIA	Workforce Investment Act
WRD	Wage Rate Determination/Decision (related to labor standards)